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CONTENTS

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POLITICAL

CZECHOSLOVAKIA

American Historian on Slovakia's Past, Present [NEDELNA PRAVDA 13 Oct] 1

HUNGARY

Politics, Vague Criteria Cloud Proposed State Audit Office [FIGYELO 12 Oct] 3
 MSZP's Maria Ormos Interviewed [HETI VILAGGAZDASAG 14 Oct] 6
 Irregularity Stalls Court Nomination Hearing [NEPSZABADSAG 1 Nov] 8
 Advance of Parliamentary Elections Proposed [NEPSZABADSAG 9 Nov] 8
 FIDESZ on Election Fund Distribution [NEPSZABADSAG 8 Nov] 8

POLAND

Radical Youth Groups' Political Goals Profiled [POGLAD Oct] 9
 POLITYKA Weekly News Roundup [POLITYKA 21 Oct] 11

YUGOSLAVIA

NIN Interviews LCY CC Slovene Member Hafner [NIN 15 Oct] 13
 BORBA Interviews Croatian Critic of Milosevic, Cosic [BORBA 14-15 Oct] 17

MILITARY

INTRABLOC AFFAIRS

Warsaw Pact Naval Capabilities Assessed [Frankfurt/Main SOLDAT UND TECHNIK Oct] 20

ECONOMIC

HUNGARY

Bourgeois Development, Privatization Proposed [FIGYELO 2, 9 Nov] 26
 Inadequacy of Labor Dispute Mechanisms Discussed [FIGYELO 2 Nov] 32
 Attempt to Auction Pet Nitrogen Fails [NEPSZAVA 31 Oct] 34
 CEMA Disintegration Discussed at East-West Economic Conference
 [NEPSZABADSAG 20 Nov] 35
 Businessman Lauds Investment Opportunities [NEPSZABADSAG 8 Nov] 36
 Industrial Almanac To Be Published Again [NEPSZABADSAG 31 Oct] 36
 Declining Bond Rating in Japan Explained [NEPSZABADSAG 9 Nov] 37
 No Decision From Japanese Car Maker [NEPSZABADSAG 9 Nov] 37

POLAND

French Delegation Eyes Industrial Cooperation [RYNKI ZAGRANICZNE 21 Oct] 37

ROMANIA

Bucharest Fair Exhibits Products for Export [REVISTA ECONOMICA 30 Oct] 38

SOCIAL

POLAND

High Season in Red Cross Soup Kitchens [*Munich SUEDEDEUTSCHE ZEITUNG 28 Nov*] 40

YUGOSLAVIA

Creation of Ministry of Ecology Urged [*NIN 1 Oct*] 40

CZECHOSLOVAKIA

American Historian on Slovakia's Past, Present

90EC0054A Bratislava NEDELNA PRAVDA in Slovak
13 Oct 89 p 6

[Interview with Professor David Paul Daniel by Jozef Leikert: "Meeting a Historian From Across the Ocean: Fascinated by Slovakia"; date and place not given; first paragraph is NEDELNA PRAVDA introduction]

[Text] Professor David Paul Daniel (b. 1940) teaches at a school of higher learning in St. Louis, Missouri, USA, where he is also director of library services for Concordia Seminary. For more than thirty years he has focused on early Central European history and specifically Slovak history. His book "The Historiography of the Reformation in Slovakia" has found well-deserved interest among experts. He came to Bratislava under the auspices of the CSSR-USA cultural agreement for a ten-month term of study as guest of the chair of Czechoslovak History and Archival Science of the Philosophical Faculty, Komensky University in Bratislava, and of the Institute of History Science of the Slovak Academy of Sciences in Bratislava.

[NEDELNA PRAVDA] Presently you are in Bratislava and you will spend nearly a whole year in Czechoslovakia. This is enough time to see and experience a lot. So a rather simple question: what is the main reason for such a long stay in our country?

[Daniel] That's rather difficult to answer.... Perhaps some won't believe me, but I came to Czechoslovakia because I am fascinated by Slovakia, especially its history. Slovakia interests me also because—but not for that reason alone—I am of Slovak descent, even though I am still only learning the Slovak language. What brought me to your country was above all scientific interest.

It is that I specialize in the sixteenth century; I began with German history, then moved to the history of Austro-Hungary; I was attracted to Austria itself, Hungary and especially Slovakia. Then I wanted to find out how ideas travelled for instance from Germany or Italy to Slovakia. In order to gain a better knowledge of Slovaks I used to pay visits to Czechoslovakia during my European trips. But these visits never extended beyond two or three weeks. So now I have an opportunity to come to you for a longer stay.

[NEDELNA PRAVDA] You say that you are fascinated by Slovak history. Surely this is also because you have Slovak ancestors, but what in particular attracted you to our history and what can it tell West Europeans, and in your case, Americans? In what regard is the history of Slovaks a specific case?

[Daniel] When I began to focus on Slovakia in greater detail, I found many things which remain unexplored. For instance, how did the Slovaks manage, during long historical periods which were not often favorable to

them, to maintain their own culture, a consciousness of being Slovaks even though they did not have their own state! It is a special case of a nation which has preserved its identity without a state structure that lends to it strength and support. So we can ask what it was that helped Slovaks not to lose their identity? Moreover, Slovaks have lived in an area inhabited also by other nationalities, for instance Hungarians, Czechs, Ukrainians, Germans. It is almost beyond belief that even in these circumstances they did not surrender their national self-identity. This is something that only few nations have managed to accomplish throughout European history. I want to find out what ideas, literature, religion, philosophy or teaching had an influence on the people. And it was precisely the Reformation which led me to begin with the Slovaks. I found out that already in the 16th century they had their own intelligentsia with prominent personalities. Only it is a pity that so little is said or written about it.

[NEDELNA PRAVDA] It sounds almost incredible, but many of us continue to hold the stereotypic view according to which Slovak history after the episode of Greater Moravia begins only with the national awakening. Of course this is all untrue. About fifteen years ago historians began to discuss the need for seeking the roots of the Slovak intelligentsia farther back, more in depth. And so ineluctably we get to the 16th century. Its historical significance and impact is being acknowledged ever more frequently....

[Daniel] Slovakia in the 16th century became one of the most important crossroads of central Europe, a place where all currents intersected. We can safely say: Slovakia was a great economic power whose territory thus played a rather substantial role for the whole of central Europe. Just for example the copper from Slovak mines. Also gold and silver provided the main sources of the wealth of the Fuggers in Germany. Western Europe could not imagine life without Slovakia, which after all was an important supplier of raw materials. At the same time Slovakia was a center of high culture. Architecture, painting, sculpture reached the levels of contemporary Europe and could easily hold their own in comparison. Suffice it to remember Spis. What riches are to be found there to this day! And then? Spis, Saris, Zemplin maintained lively contacts and relations with Polish and German towns. At the same time they could boast noted writers, artists and craftsmen. We must also realize that Slovakia in the 16th century linked up to the most modern trends of contemporary thought then emerging in Europe. It was precisely through the Reformation that new ideas came here, something your country did not resist. Rather the contrary. Those studying Slovakia study contemporary European thought. It is a pity that many documents of that period were destroyed. But now your archives are well protected, though many things especially dating to the 16th century have not been researched, a fact I am not alone in stating. It would be desirable to sort them out and issue a catalogue which could be used on the same level with catalogues published in Germany, France, Great Britain. Books and

documents in Slovak historical libraries are of great importance not only for Slovakia but for the entire history of Europe. And this is what you must realize and above all appreciate, know how to present books and documents to the European world. Slovakia has also played an important role in the history of technical progress, especially in mining but also in wood processing and even forest protection.

[NEDELNA PRAVDA] Most Slovaks are surprised to hear what cultural riches were created and existed in Slovakia in the past. We became accustomed to viewing our history only through the eyes of the 19th century—those of Stur or Vajansky. That is, through the prism of a time when Magyarization was very strong, the nobility became Magyarized and the Slovaks lived in wooden houses, were poor, downtrodden and uneducated. Alas, this is how narrow our view of history remained throughout the 20th century. In the last few years there has been a change in the view of our history. But surely we should not stop halfway in this.

[Daniel] I agree and also for this very reason I should like to see my research advance the knowledge a little bit farther. This I regard as repaying a little of the debt to my ancestors. I would like to work here for a longer time, systematically, in uninterrupted contact with teachers at higher schools, with people from the academe, archives, libraries. I want to share the results of my research with experts in Slovakia as well as the USA where there are quite a few people, especially countrymen, waiting for what I may be able to find out about Slovakia's history.

[NEDELNA PRAVDA] It would seem that we have some notion of Americans but what notions do they have about us, about Slovakia and Czechoslovakia in general?

[Daniel] Some know about Czechoslovakia but many know nothing at all. It depends on what field they are engaged in. It would be of great help to have in the USA a cultural center—a central place offering an informal representation of your life. Specifically I might at least sketch out the notions of average Slovaks whose ancestors went to the USA to seek work. Many believe that in Slovakia people still dress in peasant costumes, live in wooden houses with a small plot of land and a haggard cow behind them. Pity that not more of the countrymen are able to see the changes you have undergone. I am lucky in that regard, and so I can compare.

True, I have seen also wooden houses, plots of land with a cow, but no poverty. Much has changed since, the country has advanced. There is now a great deal of industry which has helped the people but on the other hand did not improve the environment. But Westerners will find it difficult to understand how much you, given the size of the country, invest in preserving your historic relics. One thing must be understood: the cultural heritage in Slovakia is not only your own but also Europe's cultural heritage.

[NEDELNA PRAVDA] From what you gain by studying in Slovakia, can something be used also in the USA? Isn't our history small and negligible for Americans?

[Daniel] I wouldn't put it that way. Slovakia's history cannot be of interest to all Americans, that's understandable. But surely there are some for whom precisely this part of world history may have an attraction. If it is not brought up at all it may as well be headed for oblivion. Meanwhile there are nearly two million Americans of Slovak ancestry living in the USA. The results of my research will surely be of interest to the countrymen. Nor should one forget that Czechoslovakia is being given close attention also by historians in other countries who realize that central European history cannot be understood without the history of Slovakia. On my return home I want to write several reports, articles and ultimately a book about your country. Then we will see what new things I may have discovered. One thing I know: interest in Slovakia needs to be invigorated in the USA. Indeed, only one-fourth of the American Slovaks know about their Slovak ancestry or claim it. I am even more concerned about our own scientific "coolness" toward Slovak history. For this reason I would like to encourage interest among the academic circles working in the field of central European history. I believe that it is important for Americans to comprehend the diversity and distinctness of the nations of central Europe—if only to have cooperative relations with them not only now but also in the future.

[NEDELNA PRAVDA] Undoubtedly there must be a number of reasons why only one-fourth of the American Slovaks affirm their Slovak identity. If they knew our history, would there be more of them?

[Daniel] No doubt about that. If they acquired knowledge of Slovak history they would surely be proud of their origins. In my opinion they would definitely have to appreciate their great heritage. Certainly they would also take pride in the fact that they stem from a nation which had to overcome enormous difficulties and, let's not be shy about admitting it, great discrimination. At the same time they would feel proud as the descendants of people who worked very hard and yet never gave up, knew how to struggle. Toward the end of the last century they sought haven wherever they had a chance to survive. But the admirable fact remains that they always took their cultural heritage with them and sought to preserve it in every new country. And while they adapted to the other nation they did not vanish even though they gradually died out.

[NEDELNA PRAVDA] The number of native Slovaks is surely declining in the USA. If succeeding generations which know Slovakia only from stories will lack the impulse for reviving traditions, they may easily lose awareness of their ancestry and become thoroughly assimilated in the country where they live. I sense from our conversation that this too is a matter of concern to you and that you are thinking of ways to prevent this from becoming reality.

[Daniel] The time has come for the first time for me to inform the press: I am founding a Center for the Study of Slovak Culture and History in the USA. It is a fairly large project. Its objectives go beyond mere preservation of the Slovak cultural heritage. The Center also wants to address the questions of how Slovaks are doing in the sciences, technology, culture—that is, on a broader scale and in all areas of life. In the first place the Center should improve contacts between Slovaks and North Americans, facilitate exchanges between scientists, teachers and diverse specialists with interest in these matters. For instance, owing to the insufficient knowledge of Slovaks in the USA the Center will offer the widest possible information about you and your country. In the first few years we will focus on Slovakia's history and culture. We will produce books, journals, videocassettes and other visual materials for individuals as well as schools. It will be a kind of an information and publicity service aiming to disseminate knowledge about Slovakia and facilitate contacts with specialists from Czechoslovakia for those on the American side who may be interested. I hope that the Center will receive information from Slovakia on the best publications which it will pass on. Or conversely, the Center may make available to the Slovak Foundation [Matica slovenska], the Komensky University, the Slovak Academy of Sciences, the Slovak National Museum, libraries and archives, information on works published in our country and possibly elsewhere in the world. Another matter of great importance to us are materials for Slovak language instruction, to eliminate problems for those who want to learn Slovak. On the other hand we would like to help people from Slovakia—those interested in the English language, so that they learn about the real life and history of American Slovaks and possibly about life in the USA in general.

[NEDELNA PRAVDA] This admirable project cannot be carried out by one or even two people. From where do you expect to get people but above all funds and other means?

[Daniel] For a good cause neither people nor money should be a problem. It shouldn't be for this one if it really wants to be a good cause. Funding is a difficult problem in our country as well but not the most difficult one. Much more important is for the Center to have a clear idea of what precisely it wants to accomplish, to set forth a program and obtain cooperation and support from the various American and Czechoslovak establishments. If we convince people that this is a good and desirable cause which lifts up the national consciousness of a nearly two-million strong mass in America, there will be enthusiasts and ultimately also institutions which will help. People who feel as Slovaks must not forget their ancestors. We want also to set up several special programs and projects. Firstly we need Slovak language textbooks offering a suitable means for learning the foundations of the Slovak language. But we need also other books and materials on Slovakia which will bring closer to us the present reality of your country, the life and work of its people. A foremost task will be the

compilation of a Biographical Directory of Slovaks Abroad, so that our countrymen can learn about all those who are of Slovak origin. An Encyclopedia of Slovaks Abroad would be another project. In fact, something similar already is under consideration by the Slovak Foundation's section for Slovaks abroad. Thus we would be able to work on this project jointly. Furthermore, we want to create conditions in the American press for publishing scientific research and research reports on Slovakia. It might be worthwhile to found a joint journal focusing on Slovak studies, which would be of use in other parts of the world as well. Finally, I would like it very much if the Center took care of the exchange of scientific and cultural personnel.

[NEDELNA PRAVDA] Judging by what you want to accomplish (not only as a scientist but also as an organizer and propagator), it is evident that you are acting not out of sentimentality as is often the case, but rather on the basis of scientific inquiry and research. At the same time you do not want our countrymen in America to lose their identity. We can only identify with such an undertaking, for if it is not lent a helping hand it surely is headed for demise and oblivion. Your enthusiasm and persistence with which you are working for a good cause deserve admiration. From where did they come?

[Daniel] I am trying to accomplish no more than the expression of an idea felt by many; it is only that I have found the strength to bring it to the surface and fight for it. If I succeed in achieving something for a better understanding of Slovaks and Slovak history in the USA I will have accomplished something in my lifetime. And this is a cause to which I am ready to devote a great deal of my energy and time. I believe that some day this life dream of mine will become reality.

HUNGARY

Politics, Vague Criteria Cloud Proposed State Audit Office

25000527 Budapest FIGYELO in Hungarian
12 Oct 89 p 7

[Article by Emilia Sebok]

[Text] Few would have thought that debate as heated as that which evolved around the issue of establishing a State Audit Office (ASZ) would take place over a legislative proposal of a technical character. A struggle between institutional and personal interests is raging, yet on the surface everyone will be careful to disguise these conflicts as differences of opinion regarding professional issues. And unfortunately, even our "war correspondent" does not have special binoculars with which to tell the origin and the target of each shell.

Independence criteria for state audit offices are constitutionally guaranteed throughout the world. That is one reason why the National Assembly postponed the debate concerning the ASZ scheduled for next week's session.

Constitutional amendments must be debated before Parliament establishes this institution.

Passing the Ball on a Training Course

The government assigned the drafting of the law concerning the ASZ to the Ministry of Finance, the Central People's Control Committee [KNEB], and the Ministry of Justice. As recommended by the Ministry of Justice, they included Parliament's Planning and Budget Committee in the preparations, as the committee having jurisdiction in this area. But initial plans did not consider that the committee itself would want to submit the legislative proposal to the National Assembly. The greatest variety of explanations may be heard in the corridors of Parliament and in various ministries as to just why it was the committee that submitted the proposal in the end. The most solid argument holds that this happened because the ASZ will be an organ of Parliament, and therefore a committee of Parliament should submit the proposal. But it had also been said that the Ministry of Finance and KNEB, in order to salvage their own audit apparatuses, insist on the inclusion of certain rules and on the deletion of others. Therefore it appears that the Ministry of Justice has abandoned this project, transferring the matter to the Planning and Budget Committee. Let them be responsible for what will happen. There are other rumors which hold that although no separate decision was reached concerning ASZ at the political mediation, there was a promise for reaching such a decision in the second round of negotiations. This promise could be cashed in only at the government of the Hungarian Socialist Workers Party [MSZMP], and not on one of the parliamentary committees, and this is why the legislative proposal was transferred to the committee by the governmental organs.

Meanwhile, the Opposition Roundtable [EKA] is registering its protest, claiming that it does not agree with the present legislative proposal. And there was a representative at the parliamentary sessions who objected to the fact that the legislative proposal was not placed on the agenda of the political mediation, and asked that Parliament deal with the legislative proposal after its debate at the trilateral negotiations.

Irrespective of how this legislative proposal came to the committee, the committee by all means has the authority to present the proposal. (EKA may demand a preliminary agreement, at most.) But the Planning and Budget Committee received a legislative proposal that was developed by professionals and was reconciled among the various ministries. This proposal was changed around by the committee's own preparatory subcommittee in response to all kinds of proposals. Thus the latest version of the legislative proposal in many places lacks the professional touch. It permits counter selection regarding the ASZ leadership, and thus the undermining of the unprecedented significance of the ASZ, according to experts. But even this would not be a fatal flaw if there were a special committee for such purposes in the

Hungarian legislative system, as there are in other parliamentary systems. A special committee of this nature would comment on legal provisions proposed by individual representatives from a professional and constitutional standpoint. But there is no such special committee in Hungary. Any legislative proposal may come before the representatives, a few of whom laughed during a recess called in the course of debating this proposal, saying that thus far the laws they have voted for were wrong, regardless of how many laws they passed.

Personal independence criteria in regard to the ASZ are at least as important, and are generally more broadly based than the organizational guarantees. Conflict of interest criteria aimed at ruling out possibilities that ASZ employees with substantive decisionmaking authority may not have family or financial relationships with the executive branch, have special significance.

Incompatibility and Fitness

Critics of the legislative proposal believe that conflict of interest provisions are extremely weak. For example, representatives of a current parliament and members of the Planning and Budget Committee of a previous National Assembly should be prohibited from holding office at the ASZ. It will be impossible to forestall unprincipled collusion and guarantee unbiased investigations unless this is prohibited. And besides, it is contrary to the ASZ's independent status for decision-makers to take part in controlling the implementation. However, a clause like this would have a very adverse effect on today's representatives, among whom there is already one candidate for the chairmanship of the ASZ, according to mischief-makers.

But it appears equally lighthearted that in Hungary the personal affinities constitute an "organizing principle" of such importance that not even half a paragraph deals with incompatibility based on family relationships. Even the spouse of any momentary finance minister could become the chairman of the ASZ.

According to the legislative proposal, the National Assembly would elect the chairman and the deputy chairmen of the institution for 12-year terms. But this time period sounds as a frighteningly long period to many, even though in several countries the chairmen of the ASZ [equivalent] institutions are appointed for indefinite terms, mostly for life. That is, the weight and role played by the ASZ demands stability. It would be impermissible to elect ASZ leaders for the duration of parliamentary cycles, because if that were the case, ASZ chairmen would endeavor to win favors from Parliament, the appointing body.

On the other hand, there are some justified doubts as to whether the present Parliament, whose days are numbered, should appoint anyone to such an important post for a 12-year term. Accordingly a compromise is called for. In the course of political mediation the three negotiating parties agreed that in the event that this law is adopted they would include provisions in the law to fill

only one deputy chairman's post beginning on 1 January, and that the chairman would be chosen by the new National Assembly, and the second deputy chairman by the National Assembly that follows the new National Assembly. This agreement was reached in conjunction with the constitutional changes, in due regard to the transitional situation. But the latest version of the legislative proposal known to us nowhere includes such rules. Thus it is also difficult to understand on what grounds the 8-member nominating committee elected by the National Assembly was assigned the task of making recommendations in regard to the persons to be appointed as officers of the ASZ.

At the same time, one may specifically object to the fact that several members of the nominating committee are also members of the Planning and Budget Committee. According to the legislative proposal at least, this committee will examine the persons recommended in the course of a hearing. It is apparent that representatives involved in both places will be biased in favor of their own nominees.

Hiring and promotion conditions relative to the ASZ chairman and his leading associates belong in a separate category of independence criteria. Our proposed law contains no fitness criteria, nor does it define any professional or moral requirements, or provide for cases when these persons must be relieved of their duty. The report accompanying the proposed law argues that it would suffice for the Planning and Budget committee to become convinced at a hearing that the persons recommended for the chairmanship and deputy chairmanships are fit for those posts. (For example, there are no requirements for a lack of criminal record, nor do they require that the candidate hold even a high school degree.)

On the other hand, the Ministry of Justice still believes that a mandatory competitive system be established, despite the fact that recommendations made by representatives to this effect were simply disregarded at a committee session by the chairman of the Planning and Budget Committee—the committee that introduced the legislative proposal.

The harmony between the ASZ function and organization obviously demands that the ASZ be given regional offices. In the Ministry of Justice's view this is merely a matter of development. A growing ASZ will itself work out a concept of this kind and present it to the National Assembly.

The legislative proposal also includes a provision by which the chairman of the ASZ would make recommendations to the National Assembly concerning its organizational structure and staff size. Compared to these expectations the preparatory subcommittee's action may be regarded as having exceeded its role. The subcommittee has already made a firm statement to the effect that along with the central office there will be five regional offices and that the ASZ staff will be composed of 290 employees. (This number is far smaller than the

combined staff of KNEB and of the Ministry of Finance's audit division.) According to opposition observers, the roles have already been "assigned" among all the interested persons, and the already overburdened National Assembly will not have much to do with this matter.

Countersigning and Control Over Assets

Experts present at the Planning and Budget Committee session were much more surprised than the representatives themselves about part of the subcommittee report which lists countersigning authorities (six altogether). Up to that point nothing of this nature was included in any previous version of the legislative proposal. Allegedly, the countersigning authorities were included in the proposal in response to opposition demands (but no one knows just how they got in there), nevertheless with the exception of one authority, they were taken out in response to sober professional arguments.

Well, what is at issue here? In several countries the position of the state audit office in the governmental organization is established on the opposite side of the executive power, so that on certain issues the institution will be able to exercise its countersigning authority. According to this concept, certain steps may be taken by the government only if the chairman of the state audit office agrees, or "countersigns" them.

Nevertheless, an excessive expansion of the countersigning authority can easily lead to a situation in which the ASZ would become part of governmental decision-making, and would therefore share responsibility for such decisionmaking, all of which would cast doubt on the objectivity of the exercise of after the fact control, and even the moral and legal basis for control would be lost. This is so, even though the purpose of the ASZ is to increase the sense of responsibility of decisionmakers. For this reason, in developed constitutional states the scope of the state audit office's countersigning authority has been restricted to procedural matters.

Having considered all of this, the latest draft of the legislative proposal provides only one such authority in Hungary: "(The chairman) of the State Audit Office shall countersign agreements related to credits received from the budget."

According to the Ministry of Justice, exercising control over property preservation activities of enterprises and institutions which operate state property must be established as a task, despite the fact that property appraisal and the management of state property are still unresolved issues. But because under such circumstances doubt will be cast on the validity of all efficiency analyses, which in turn will threaten the dignity of the new institution, it would suffice at the outset to establish a central audit office to control the implementation of the budget, and even that only from a procedural standpoint. Even this would represent a great step forward, compared to the present situation in which the Ministry of Finance controls the implementation of the budget.

On the other hand, economists attack the foundations of the idea that the audit office would have to control the preservation and appreciation of property, claiming that the exercise of control over the management of state property, and over the property preservation and appreciation activities of fully (or partially) state-owned enterprises and entrepreneurial activities amounts to none other than control over economic management itself. Only the owner has the right to exercise such authority, even if today we are unable to see clearly how the State Asset Fund will operate.

Sooner or Later?

Yet another hotly debated issue is the date when the ASZ should be established. Due to legitimacy problems, it may be inappropriate for the still functioning Parliament to establish the ASZ in a great hurry as of 1 January 1990. According to these views, we should be able to survive the period prior to the next elections without having an ASZ. Let the new Parliament establish this highly significant institution.

Others take a different approach in concluding that the establishment of the ASZ as of 1 January is premature. This is so because the ASZ would be capable of performing its share of functions only if it is streamlined with other institutions of the constitutional state. Starting out from this view, one could seriously question whether a truly functional ASZ could begin on its path as of 1 January. This contradiction also occurred to some representatives. They recommended that the legislative proposal concerning the establishment of the ASZ be tied to the debate on the state household reform concept. In reality this represents only a minimum condition, because it is the lack of proprietary reform that may render uncertain, and thereby unnecessarily discredit, the activities of a barely functioning audit office.

"As of today, the foundations of the party state remain untouched, therefore they constitute a threat to all new institutions, including the ASZ, which by virtue of their functions are closely tied to the economic foundations of the state. That economic foundation is capable of devouring organizational and institutional reform measures at any time," according to a Ministry of Justice professional.¹

On the other hand, an economist who specializes in this subject calls attention to the fact that at the earliest, the law that regulates the state household may be applied for the first time only in the course of planning the 1991 budget. (It is unlikely that this measure will be dealt with, even though it is part of the legislative program.) If for no other reason, this would suffice to relegate the ASZ to the role of a supporting actor. It would be incapable of functioning in the framework of the present accounting system, and thus would lose credibility.²

Nevertheless, in recent days the views held by lawyers on the one hand, and economists on the other have appeared to approach each other. Beginning on 1 January let us establish a provisional audit office, and let us

not deny the provisional character of that office even for a moment. We must recognize and admit that in a transitional period it is impossible to construct from the top down an institution which otherwise would be an element of consolidated economic and legal conditions. (This is another reason why we must be careful in adopting foreign methods.) They say that it would not matter if initially and mostly, the organization would not have any specific work, but in the meantime preparations could be made for starting up proprietary and state household reform, which in turn would establish a medium needed for the functioning of the ASZ.

Footnotes

1. Dr Peter Timoranszky: "The Place and Functions of an Audit Office in a Constitutional State." Hungarian Academy of Science, Political Science Research Program Office, Budapest, 1989.

2. Footnote: Antal Gyulavari, (Central Statistical Office), VILAGGAZDASAG, 26 Aug 89.

MSZP's Maria Ormos Interviewed

25000504B Budapest HETI VILAGGAZDASAG in
Hungarian 14 Oct 89 p 79

[Biosketch of and interview with Maria Ormos, Hungarian Socialist Party [MSZP] national presidium member, by Andras Lindner and Zoltan Horvath under the rubric "Portrait," date and place not given]

[Text] Historian-academician Maria Ormos hails from a Hungarian family on her father's side, and from an Austrian family on her mother's side. She was born in Debrecen in 1930, and has been a member of the highest leadership body of the Hungarian Socialist Workers Party [MSZMP] since the summer of 1989. She completed her studies in the city of her birth, and also obtained her high school teacher's diploma in history and Hungarian language and literature at the University of Debrecen. At first she served as an assistant professor in Debrecen, and then she moved to Szeged and became principal assistant lecturer at the university there. Between 1951 and 1956 she was a member of the Hungarian Workers Party [MDP]. Her membership in the party was interrupted in late 1956, and in the summer of 1957 she was removed even from her job as historian. She was able to return to her profession only after 7 years of hardship, "with the help of a miracle," as she puts it.

In the meantime she worked as an unskilled laborer at the National Archives; taught young boys cared for by the state in an elementary school, then was employed at the encyclopedic editorial offices of Academy Publishers. Here is the miracle: In 1969 Gyorgy Ranki took note of one of her studies and invited her to the Historical Sciences Institute of the Academy. From here on, the once broken career followed a straight path. Her work expanded, and her writings began to be published one

after another. Her book entitled "From Padova to Trianon" created the greatest interest and received the highest recognition.

In 1982 she became a part-time professor at the Janus Pannonius University of Sciences at Pecs. It became a full time position in 1984. In the same year she was elected to be the university's rector. Maria Ormos has been a member of the Hungarian Socialist Workers Party [MSZMP] Central Committee [CC] since 1988, and beginning from the summer of 1989 a member of the 21-member political executive committee. Since 9 October 1989 she is a member of the Hungarian Socialist Party national presidium.

Recently she started commuting regularly between Budapest and Pecs. In Budapest she lives in her own condominium, while her official residence is in Pecs. She has been divorced for 20 years. Her daughter is a lawyer, and her son is a member of the Physical Education Academy video studio. She has five grandchildren.

[HETI VILAGGAZDASAG (HVG)] You look tired, but you made the presidium. Are you satisfied?

[Ormos] Everything considered, yes, I am. Congress had some difficult moments, but in the end a new party came about.

[HVG] What role have you been assigned under the new arrangement?

[Ormos] The national presidium must lead party policy as a whole, but presumably my role will be to foster cultural policies, and I will be pleased to do so.

[HVG] An overwhelming majority of congressional delegates—70 percent—were from among the intelligentsia. Did anyone express apprehension to you that at this point the Hungarian Socialist Intelligentsia Party was established?

[Ormos] I do not believe that the way you put this is true. Undoubtedly, however, it is true that the ratio of members of the intelligentsia is substantially higher than before, not only at the congress, but also in terms of the membership that is actively involved in politics. And part of this matter also involves the voting logic of workers. The person they choose to represent them should be well educated, attractive, and capable of reasoning as intelligently as possible.

[HVG] You were a member of the committee charged with the historical and political analysis of the past 4 decades. That committee was called into being by the MSZMP CC. You must have been aware of the thoughts articulated by that committee much earlier. Tell me, since when were you aware of those matters?

[Ormos] Today, as before, my thought processes have always been those of a historian. I cannot invent things, I am able to work only on the basis of materials and documents that exist. Whenever this is impossible with regard to a certain subject, I try to find another subject of

which it is possible to write the truth, or to try to write the truth. This, of course, may be perceived as opportunism, but I accept that view.

[HVG] In earlier days, MSZMP policies were strongly characterized by anti-intellectual trends all along. How did you relate to that?

[Ormos] For a long time, cultural policies were only a means, a means of the paternalistic exercise of power to support the ideology. The ideology was forced upon the intelligentsia. I was removed from my career as a historian in 1957. In the final analysis I can thank Gyorgy Ranki that I did not have to surrender my plans to be a researcher.

[HVG] What took you back to the party in 1969, after 13 years of absence?

[Ormos] If I must express this in one sentence: my adherence to the ideals of socialism.

[HVG] In light of these events how did you, in your redeemed status, live through the philosopher trial, and later the expulsion of the Bihari group, which followed a few years after your redemption?

[Ormos] Badly. I could not agree with either of those cases. In essence the party shot itself in the foot; it created its own opposition cadres.

[HVG] Let's stay with Mihaly Bihari. He described marxist communism in MAGYAR NEMZET as a negative utopia. What does this mean to a historian?

[Ormos] First of all, who is able to say what marxist ideology is? Everyone referred to it all the time, without ever defining what it was. Bihari referred to the stalinist interpretation of Marx, and it is fact that the stalinist interpretation is gone once and all. At the same time—in my view—it is equally true that without utopian thought we would be still hopping around on tree tops.

[HVG] Many similar things have been said by historians to create an effect, while they became the servants of politics.

[Ormos] I disagree with that. Since the mid-1960's, for example, there has been a team of historians who have placed one or two outstanding studies on the table, even though they did not want to march to jail by all means.

[HVG] What motivated your decision to move to Pecs? Were you thinking of your pension perhaps? Or was this a kind of self-imposed exile?

[Ormos] Financial considerations could have played a role, but this was not the decisive factor. I was attracted by the fact that at Pecs it was possible to begin higher education reform, and that there was a way to depart from central direction. And the assignment of becoming rector was also attractive.

[HVG] It has been said that in those days you were also offered the vacant chair of the Minister of Culture, but you turned it down. Why?

[Ormos] My response to whatever was said in those days was that I could not accept that position, because in my judgment professional knowledge was not enough in that position, one also had to know public management. And frankly, I fell short in that respect.

[HVG] To this point you have been recording history. Are you not concerned about the fact that at this time you are becoming the creator of history and politics?

[Ormos] By nature, a historian is attracted to the past, not to the present. A scientist is unable to relate to the present, to the judging of the present, but knowledge gained from the past and from the recent past enables the scientist to better understand the problems of the present.

Irregularity Stalls Court Nomination Hearing

*25000532C Budapest NEPSZABADSAG in Hungarian
1 Nov 89 p 4*

[Text] Perhaps we cannot say that the choosing of members of the Constitutional Law Court ended in scandal, but the unexpected order for a closed session of the National Assembly Committee on the Judiciary indicates that representatives were confronted with an undesirable development, one that in their view should not be dealt with in public. During the open part of the session, one could already feel that the information provided to the judiciary committee about the professional careers and unquestionable qualifications of Tibor Fuzessy, Laszlo Solyom, Miklos Raft, Geza Kilenyi, and Pal Solt would be useless, if the propriety of the nominations left something to be desired. As was revealed by the chairman of the nominating committee, of the member organizations of the Opposition Roundtable only three parties had made recommendations, while the Opposition Roundtable has nine member parties. Thus, Peter Tolgyessy, Alliance of Free Democrats opposition leader, stated that they were shocked to learn that someone else had made the nomination in their name, without asking them.

A debate—strained for those who listened to it, and not at par with the case before the committee—evolved concerning the legality of the nomination, and the number of years that could be credited to a candidate for experience in public administration if he were to be appointed as a justice of the Constitutional Law Court. Thus, one can only approve of the decision reached on the basis of Representative Jenő Horváth's suggestion, that the judiciary committee should continue its session behind closed doors, but only in the absence of the nominees. To complete all the preparatory work that should have been completed prior to hearing the justices of the Constitutional Law Court....

Advance of Parliamentary Elections Proposed

*25000533E Budapest NEPSZABADSAG in Hungarian
9 Nov 89 p 5*

[Interview with Imre Konya, spokesman for Independent Lawyers' Forum, by B. L.; date and place not given]

[Text] The board of directors of the Independent Lawyers' Forum [FJF] issued a statement urging that parliamentary elections be announced. They are doing so at a time when high caliber political events are developing. A referendum will be held on 26 November, and, depending on its outcome, a presidential election may be held on 7 January. Isn't that enough? Why do they believe that parliamentary elections should be advanced? We asked this of FJF Representative Imre Konya.

[Konya] A real turnaround may be expected only as a result of parliamentary elections, i.e. the establishment of the basic institution for democratic power—a freely elected parliament—to replace the earlier single-party rule which from a practical standpoint has disintegrated.

[NEPSZABADSAG] Why couldn't we wait with this until the Parliament's mandate expires?

[Konya] We cannot afford delays. The power of the ruling party has been shaken, thus the government is not backed by real political power. Hasty action and hesitation prevail simultaneously in governmental work. In reality, everyone is waiting for the turnaround, even the potential foreign investors. And this turnaround can come about only through free elections. That is the only way to establish a government supported by political forces authorized by the people, and controlled by a democratic parliament. A parliamentary election is the starting point, and the legal conditions for such elections exist. It would hardly be useful to hold elections prior to March—in late February, at the earliest. But we must not wait any longer than that!

FIDESZ on Election Fund Distribution

*25000533D Budapest NEPSZABADSAG in Hungarian
8 Nov 89 p 10*

[Text] The Association of Young Democrats [FIDESZ] believes that, as presently planned, the distribution of the 100-million-forint segregated fund for the support of parties is unacceptable. This was announced yesterday at a FIDESZ press conference. Leaders of the organization said that they believed it was improper for the government to leave the distribution of this fund to the parties. In their view the only proper way to distribute this fund would be on the basis of membership size. They underscored the fact that any party not willing to publicize the size of its membership and not permitting access to its records should not, under any circumstances, receive money from the 100-million-forint fund.

In regard to financial support, it was said that FIDESZ is also in need of money to finance the election campaign;

after all, FIDESZ is running candidates and supports candidates in every election district. Although they received a small amount of money from the Soros Foundation, that money was used for the purchase of technical material and copying machines. In providing funds, the Soros Foundation stipulated that they could not be used in the course of preparing for the elections.

POLAND

Radical Youth Groups' Political Goals Profiled

90EP0137A Warsaw *POGLAD* in Polish
No 2 (154), Oct 89 pp 40-42

[Article by Tomasz Swiderek under rubric "Youth":
"The Independents"]

[Text] I myself am not much older than them, the leaders of "Solidarity '80" and the youth groups of the various political parties: the Confederation of Independent Poland (KPN), the Polish Independence Party (PPN), the Federation of Fighting Youth (FMW), and Fighting Solidarity. Only I no longer feel I can change the whole world. They, on the other hand, would like to achieve everything right away, at this very moment. Often what to "older people" seems like radical behavior and thought does not seem so to me. These young people are just like me 5, maybe 7, years ago. Only nobody called us radical then.

When we threw rocks at the ZOMO tactical squads in the spring and summer of 1982, when we raised the cry "Solidarity" and shouted "Down with the communist system," we were accepted, because this was a way of fighting for Solidarity, of freeing the people who had been jailed or detained, of showing the communists and the whole world that we rejected martial law and its methods. It was similar when people from the Alternative Society Movement, or RSA, in Gdansk suddenly started to defend themselves, after several years of having our demonstrations beaten up with impunity. This too was accepted. Nobody condemned them. People were trying to show a society which had been subdued by the brutality of the ZOMO that fear of the closed ranks of the tyrannical militia units could be overcome.

Today people call "radical" those who react in the same way when they are beaten up by the militia, those who go out into the streets to show their dissatisfaction with the system and methods of exercising power. When they sense that the government and the bulk of the opposition fail to notice their existence or their problems, or when they can find no other way to call attention to themselves, they go out into the streets.

Young people are aware of their power, and they know that without them the "old people's" world would be simpler. They say that Solidarity has aged and needs new blood, but it does everything it can to keep from giving young people a voice. Yes, the young people could be the

bulk of its membership. They could, but they do not want to. Wojtek Polaczek, representative of the Krakow FMW, said something very important at the 1 May 1989 rally at Nowa Huta: "I want to thank those who fought for Solidarity in the surrounding streets and neighborhoods. Every rock thrown at a ZOMO, every leaflet, every slogan written on the wall, and finally Bogdan and Ryszard's death were decisive in the fact that we held out and that today we can peacefully walk the streets of Nowa Huta. There is no way to determine who gave the most of themselves, because such a thing cannot be measured, but young people undoubtedly made up the largest, most numerous group. They waged the revolt against lies in mutual solidarity, their backs bruised by the militia's batons and their eyes burning from the gas. Therefore, the legalization of Solidarity is our victory too. ... 'Our Time Will Come' is written on one of our posters. Today we can say that it has come. We must not be surprised or paralyzed. The time has come, the time of difficult elections, the time of the reality which is no longer black and white. We must find in all this and prove that we are fighting youth, not crying youth. The fight against communism will not come to an end today. Today it is actually beginning again." (From *FBI, FEDERALNY BIULETYN INFORMACYNY*, Krakow, No 7, 9 May 1989).

For young people, the number one goal today is to fight communism and defeat it. Hate for the system has become implanted in the "young people" by the "old people," and also by the system itself, which destroys, wounds, and kills on a daily basis. "You can become anticommunist just by living under the communist system," says a young FMW member. By the nature of things, young people oppose the underpinnings of such a state of affairs and whatever makes it permanent, including the Northern Group of the Soviet Armies. When they shout "Down with communism" and "Soviets, go home," they are simply saying out loud in public what practically every adult Pole has in mind within his own family setting. A common feature of all the "rebellious ones" is the distrust of the motivation of the communists. It is common knowledge that we presently have another "carnival" like the one in 1981, and some night the general can call it off.

For many years there was no sign of any Solidarity split into various factions. Up to a certain moment the figure of Lech Walesa united everyone. Things have not been like that since last fall. Many young people feel cheated and left out, even by Lech, including people who had set up the strikes in the spring and summer of 1988 in the steel mills, shipyards, and mines. Left on the sidelines, they formed their own organization, "Solidarity Dym [Smoke]," which has now changed its name to "Solidarity '80." At the time the name changed, a few people left. A member of "Solidarity '80" told me that these were people who had been bought out by Walesa's people. The members of "Solidarity '80" call the union which was legalized this 17 April the "New Solidarity." They oppose the chairman's authoritarianism, the changes in

the statues and by-laws, and the departure from democracy. They hold it against the union leaders that they served as firemen to extinguish the strikes. They see themselves as fundamentalists, and this is why they are becoming ever closer to the Working Group of the National Commission and Andrzej Gwiazda.

Today they are telling them quite directly that following August 1988 they have been treated like hired hands who have done their work and now can—sometimes must—go their way. They say that this is not the sort of union they fought for during last year's strikes. They believed in Lech Walesa then, but today they claim that Walesa has betrayed their trust. The Solidarity leaders chose their opposition elite, leaving all of them out of it, and along with this elite the leaders have begun negotiating with the communists. The "radicals" of "Solidarity '80" do not think that anyone should be talking to the people in the communist system, and if they must negotiate with them, the bargaining should be done in such a way that the whole nation can observe what is going on and exert influence on it. "If we are to negotiate with the communists, let's do it the way we did in Gdansk in August 1980."

Members of PPS-RD and SW hold similar views. After all, many of the "young radicals" belong to one of the opposition political parties or one of several organizations. In the winter of 1988-89 the Congress of Antiregime Opposition, or KOA, was formed at a meeting in Jastrzebie. KOA is a forum for agreement among "radical" opposition youth. The documents, leaflets, and appeals signed by KOA call for overturning the present system. The methods can vary. The important thing is for them to work as quickly as possible. "There's going to be a revolution here, and blood will flow. We have to get ready for it today." Such statements are getting louder and louder. Right after the formation of the KOA, its members declared that they wanted to be the bugbear of the communists in Walesa's hands, just as the "party cement" is the bugbear of the opposition in the hands of the PZPR "reformers." Today the KOA people know that Lech Walesa is not interested in them as partners, that he condemns the methods of operation which they proposed. Practically speaking, Gwiazda's general authority among the rebellious bolsters every statement Lech makes on the subject of youth. The Solidarity leader is trying to avoid the subject. He dodges it and gives his traditional "politically weighed" responses. In the long run, they find no understanding. The young people are expecting clear, concrete positions. They are becoming increasingly impatient and listen eagerly to the people who provide them with understanding and instructions for them in the unequivocal statements they make. For many people Gwiazda did not become an authority or any sort of leader until the deliberations of the roundtable subgroup on youth showed each day that young people were not going to gain anything at the roundtable meetings, and Lech Walesa was constantly telling them to be quiet and not want too much.

"Solidarity '80" has only a few dozen members. Maybe 100. PPS-RD has several hundred, consisting largely of

the young intelligentsia and young workers. I never received a clear answer about the number of members SW has. After all, they have a conspiracy going. When I asked an SW member how many people in his region thought the way he did, he said that there were too few, but the number was increasing every day. He added that the largest number is in Wroclaw.

The Federation of Fighting Youth, the FMW, has the largest number of members and sympathizers. There are about 600 members in Krakow, and the group of sympathizers is much greater. The situation in Gdansk is similar. The number of people linked to FMW increases after each major skirmish. This is the way it was in May 1988 and February 1989 in Krakow, and following August 1989 in Gdansk. They approach the representatives out in the open and want to become FMW members. They are not frightened off by the reputation as "terrorists," which the mass media thrusts on them. They smile at this treatment, anticipating being able to fight the hated communist system, thanks to the FMW.

There are at least a few other parties and organizations whose membership consists of "rebellious youth" besides the ones mentioned above, but I never managed to reach them. Right in the tri-city area of Gdynia, Gdansk and Sopot itself there are also the RSA, the Committed Society Movement, or RSZ, the Two-Twa Movement, Youth Solidarity, Young Revolutionaries' Solidarity, and the youth branches of the Confederation of Independent Poland (KPN) and the Polish Independence Party (PPN).

The Two-Twa Movement is a group whose action is a mixture of forms propagated by the Orange Alternative, FMW, and WiP. "There's no sense in living by aggression and hate (the way the skinheads, ZOMO's, and rabble-rousers do). You're better off laughing," says an active member of the group. For them, nothing is sacred. They laugh at the communists, Solidarity, and the Church. The very name "movement" is part of a song chanted in St. Brigid's Church, audible from a long way off: "...Such long suffering, twe, twa..." And although the cofounder of the movement holds himself aloof from the rabble-rousing, another participant says: "The forms of action may differ very greatly: rabble-rousing, demonstrations, happenings, underground propaganda, teach-ins, independent art ... For most this is already doing something, but it's hardly a game when someone risks being detained, is thrown out of school, or has problems in the family."

They want to work out a positive program of action, put out their own publication, TWE-TWA. They recently took part in a traveling show in Zarnowiec on behalf of holding up the construction of the local nuclear power plant. Are they radicals? For some they are, certainly, if only because of their proposed forms of activity.

The Alternative Society Movement, according to my FMW informant, is now going through some sort of crisis, although an Interurban Anarchistic movement has

been created. Youth Solidarity and Young Revolutionaries' Solidarity are small. Their activity consists largely of publishing their own newspapers, in which they print views which are not helpful, and participating in rabble-rousing skirmishes. The same is true of the KPN and PPN youth groups. These are FMW "offshoots" which specialize in creating incidents.

In Krakow we can include the Student Action of WiP and NZS among the so-called radical organizations. These two have a great deal in common (if only in that they have members in common). Among other things, the radical nature of NZS consists of its being opposed to changes in the group's statute and by-laws proposed at the Fourth NZS Congress and are therefore opposed to concessions to the communists. They too are fundamentalists.

Because of the informers [przekazy], the Student Action of WiP is a decidedly anti-Soviet group. The authorities call their appearances political rowdiness, but the opposition does not condemn them outright. It seeks some sort of explanation, but it does not think it is the right time yet for such demands. The WiP Student Action's earlier activity concerned military service for graduates and military training for college students. Last autumn the boycott of military training classes at institutions of higher education in Krakow was the most widespread and lasted longer there than anywhere else in the country. It was not praised by the "constructive" opposition, because it deferred the roundtable to somewhere in the distant future. Today we see that these actions produced effects in the form of reducing the period of military service following graduation from 12 months to 5 and certain concessions in military training for college students.

The Krakow "radicals" are not primarily FMW, however. Although they specialize mainly in rabble-rousing and street spectacles—Nowa Huta is the most active here—they also have a broad program of "positivist" action. These are self-education groups and discussion clubs. They also organize camps during vacation. They are visible in their schools, where they have gained control of school self-governments independent of the principals.

Independence in school and on the street. Independence in their own country. This is what is most important to them.

POLITYKA Weekly News Roundup

90EP0124A Warsaw *POLITYKA* in Polish
No 42, 21 Oct 89 p 2

[Excerpts]

National News

There was a stormy debate in the Sejm about the proposed indexation law. The law on general indexation of workers' wages in the production sphere adopted barely two and one-half months earlier proved to be bad

in the opinion of the government, and although Solidarity was its promoter, now through the person of its minister Jacek Kuron, it called for equalization indexation. In the end, the Sejm adopted the government proposal: 188 votes for, 27 against, 133 abstaining.

During the indexation debate, several hundred OPZZ trade unionists demonstrated in front of the Sejm building. ("We call on the government to sharply control prices and choke inflation.") Alfred Miodowicz, questioned by a journalist from TRYBUNA LUDU at the site about what would happen if the Sejm should decide contrary to the position of the trade unions, replied: "We will begin a protest action in selected plants throughout Poland. That is not the only step. I have already asked Premier Mazowiecki to initiate negotiations soon. . . . The plants do not need a bureaucratic indexation with dangerous results, but some other economic mechanism." In the Sejm, the OPZZ trade unionists put forward a social contract between the government and the trade unions for the duration of the crisis. Such a contract would provide a guarantee that the government would meet society's demands and, in turn, a guarantee that society would agree to essential steps.

The Main Cooperative Council criticized the government proposal changing the law on cooperatives. In a published comment opposing it, the proposal is said to have been developed in an extremely hurried manner and without participation by representatives of the cooperative movement, violating the basic principles of law. The proposed law violates the principles protecting cooperative ownership and undermines the credibility of the international contracts signed by the cooperative organizations. The council demanded the proposal be delayed until December 1989 when the Congress of Polish Cooperatives is to be held. Kazimierz Barcikowski, president of the Council, resigned from his position in protest against the practices used against cooperatives, especially against "the systematic circumvention" of the National Cooperative Council in efforts of essential significance to the cooperative movement.

Further price increases. The prices for cars have increased—both for domestic and foreign ones. Beginning 16 October 1989, a Fiat 126p 650 FL will cost 9 million zloty; a Polonez Standard 1.5 cm, 20 million zloty; a Lada 1300, 19 million zloty; a Skoda 120L, 14.1 million zloty; a Wartburg Tourist, 14.1 million zloty. (Individuals who have paid in advance will pay the price for the year in which they gain the right to pick up a car.) On the same date, new prices take effect for domestic and foreign cigarettes: Popularne will cost 300 zloty a pack; Carmen 1,050 and 950 zloty; Marlboro, 4,500 zloty a pack. Tadeusz Syryjczyk, minister of industry, announced that he had asked the minister of finance to increase the price of coal in the near future (reportedly by 132 percent), of electricity (reportedly 12-fold) and of gas. Postal and telecommunication rates have increased by 130 percent. A regular letter from 60 zloty to 150 zloty, monthly telephone service from 330 to 780 zloty; one call costs 45 zloty. During the week the official

exchange rate for the dollar rose from 1,791 zloty to 2,100 zloty. Prices for farm tractors increased (for example, the C-330 to 5.5 million zloty).

Mieczyslaw F. Rakowski after visiting the Soviet Union and holding talks with Mikhail Gorbachev: "Gorbachev gave full approval to our policy in relation to the government of Tadeusz Mazowiecki. Putting the interests of the nation first, we support the government in all efforts aimed at getting Poland out of its economic crisis." "I heard today from M. Gorbachev that the USSR will remain faithful to its earlier commitments; it will observe them." In response to a question about whether after these talks a Polish-Soviet declaration on Katyn can be expected? "This problem has been taken up. I am opposed to using any tragic event from the past for political purposes, arousing unnecessary emotions. I believe that our Soviet comrades will find an answer to all of the questions connected with the Katyn drama. . . . I am waiting calmly for the moment when the 'i's' are dotted." M. Gorbachev "declared, and it is not an empty declaration, that the CPSU treats the Polish party as its closest ally, and also that he will support all efforts aimed at strengthening the Polish party in society." [passage omitted]

On 16 October 1989, the Polish Security Bank raised the interest rates on time savings deposits: 3-year deposits to 96 percent annually; 1-year deposits to 87 percent; and six-month deposits to 72 percent. Demand accounts remain unchanged, 21 percent.

The prosecutor general has applied to the general prosecutor of the USSR with a recommendation to initiate and conduct an investigation on the murders, in Katyn and other unknown places, of Polish officers interned in the fall of 1939 and to hold a trial to rehabilitate the representatives of Polish political groups sentenced in June 1945 in Moscow. [passage omitted]

A Movement of the Working People, formed on the periphery of the OPZZ, as TRYBUNA LUDU reports, that considers Adam Schaff its "ideological father," has announced a proposed declaration. "Our Movement reserves for itself the right, if the need arises, to form a political party." Among the organizers of the movement: Dr Mieczyslaw Krajewski (deputy editor in chief of LITERATURA, a member of the PZPR Central Congress Commission), Pawel Georgica, an adjunct at the Academy of Social Sciences, and Dr Franciszek Adamczyk, director of the Central Schools of the Trade Unions.

Jacek Szumilas (age 23) was sentenced to death for the murder of three elderly individuals in Borowno (Czestochowa Voivodship) during a robbery.

Revindications. In Rzeszow, Boleslaw Bierut Boulevard has been renamed Wincenty Witos Boulevard and Malgorzata Fornalska St. (They are still considering Defenders of Stalingrad St.; in Paris, such a street name has been accepted.) In Lublin, militiamen have removed

the monument of Gen Franciszek Jozwiak, the first commander of the Security Bureau and Citizens' Militia, from its plinth.

Who's Who News. On a recommendation by Henryk Samsonowicz, minister of national education, the under secretaries of state in the ministry have been removed: Prof Czeslaw Krolkowski, Dr Zbigniew Sajkowski, and Jan Marianski. Zbigniew Wesolowski has been removed from the position of secretary of state. (He will be an under secretary of state.) The following were named under secretaries of state: Dr Tadeusz Diem, Dr Hab Janusz Lukasz Grzelak, Dr Hab Andrzej Janowski, and Dr Anna Maria Radziwill. The premier has named Wiktor Kulerski secretary of state. All are Solidarity activists. On a recommendation by the minister of culture and fine arts, Kazimierz Molek has been removed from the position of under secretary of state; Stefan Starczewski, a member of the Citizens' Committee under Lech Walesa, will replace him. The premier has named Dariusz Fikus, deputy editor in chief of GAZETA BANKOWA, director and editor in chief of RZECZPOSPOLITA, replacing Janusz Durmala, who was removed earlier. In Rzeszow, Wieslaw Ciesielski (age 36) was elected the new first secretary of the PZPR Voivodship Committee. He holds a doctorate in economics and is head of a section at the Voivodship Committee. [passage omitted]

On the Left

[Passage omitted] Freight trains with shipments of food and fuel for Armenia have again resumed; they were halted due to a blockade imposed by Azerbaijan. The Soviet minister of transportation made the announcement.

For the first time in several decades, there was a church service at the Kremlin in the old Orthodox Cathedral of the Russian state, where in past centuries all the Russian czars were crowned. Until now all of the Kremlin monuments were museum objects. [passage omitted]

The AFP reports that Andrey Sakharov sharply criticized the unwillingness of the Soviet authorities to recognize the anti-Stalinist movement "Memorial" as a "civic organization." In the opinion of the Soviet Nobel prize winner, the authorities want to prevent "Memorial" from participating in future elections.

Vaclav Havel, the Czech dramatist and dissident, sent his own picture to RUDE PRAVO, the journal of the CPCZ Central Committee. He signed it with a pseudonym and asked it be printed in the space for paid advertisements. Havel told the paper's editors that he wanted to mark his 53rd birthday in this manner. Paying 500 Kcs for the printing caused the picture—to the amazement of the readers, the embarrassment of the editors and the joy of Havel—to be printed in the journal that considers him one of the leading opponents of the order.

According to Andrey Sakharov, the USSR is approaching the edge of an "economic catastrophe" that may threaten the current process of democratization.

Society has no motivation to work because it can buy nothing for its earnings. Premier Nikolay Ryzhkov sharply criticized individuals guilty of delaying shipments of basic necessities purchased abroad to stores. At the beginning of October, 25,000 tons of food, among other things, had not been moved from ports.

Opinions

Colonel Pilot Franciszek Pajnowski:

(ZOLNIERZ WOLNOSCI 7-8 October 1989)

"The punishment of arrest in our military should be ended because it has lost its educational sense. The sight of two soldiers from the same unit, one of whom has no belt or shoelaces and pretends to work and the second of whom has an unloaded gun and pretends to watch the first, is embarrassing. A companion from the same guard company should not watch a buddy from the transport company and vice versa. In some armies fulltime order units perform these functions—gendarmes, prison guards. In Poland, a general solution would be to eliminate soldiers in line units from close supervision. The commander of the unit should have the right to transfer these soldiers to units of the Internal Military Service. There a decision should be made about where to send the soldier. To psychological examination or to a resocialization facility."

Alfred Miodowicz, chairman of the OPZZ:

(KURIER LUBELSKI 26 September 1989)

"We cannot submit to all of the efforts proposed by the government. If there is unemployment in Poland, the plants will begin releasing the least useful, the old, the tired people. We do not hide the fact that if this happens we will form a union of unemployed to fight for the interests of unemployed workers." [passage omitted]

Stefan Niesiolowski, deputy for the Citizens' Parliamentary Club:

"The new election law must be proportional and not majoritarian; political parties presenting programs to the voters should contest the election and not monolithic—at least formally—"teams" primarily using symbols. The near future will show who is truly interested in rebuilding an authentic multiparty system in Poland and who is only defending previously gained advantages."

The opinions and views cited in this section do not always agree with the views of the editors.

YUGOSLAVIA

NIN Interviews LCY CC Slovene Member Hafner

90EB0057A Belgrade NIN in Serbo-Croatian
15 Oct 89 pp 19-21

[Interview with Vinko Hafner, League of Communists of Yugoslavia Central Committee member, by Ljuba Stojic: "The Slovenes Have Nowhere to Go"; date and place not given]

[Text] In the inflammatory political atmosphere created by the adoption of the amendments to the Slovene Constitution, in spite of many warnings from federal bodies, we requested an interview with Vinko Hafner, member of the LCY [League of Communists of Yugoslavia] Central Committee [CC] from Slovenia, an old revolutionary with experience in affairs in the federal and republic political leaderships. Although he is always actively present in the center of the political struggle, Hafner has not lost the desire to understand the points of departure of the other side, and to be correctly understood on the other side. In this situation of easy abandonment of any contact between opponents, he seems to be a particularly suitable person to talk with about sensitive topics concerning relations between Slovenia and the federation. Even on this occasion, he did not avoid stating openly what he thought about everything, even when his personal opinion did not coincide with the official one.

[NIN] Exactly 4 years ago, in October 1985, Comrade Hafner, as the president of the Slovene Assembly at that time, you were a guest of NIN's editorial board. At the very beginning of the conversation, you mentioned that during that year NIN had devoted great attention to the Republic of Slovenia, and you gave an assessment of that coverage. What do you think of it today?

[Hafner] At that time I made the critical comment that NIN was very preoccupied with political events in Slovenia, and that it viewed them too one-sidedly, I would say, from its own Serbian point of view. Otherwise, I did not have a negative opinion of NIN's coverage as a whole. Later, however, things changed for the worse. NIN began to view social events in Slovenia even more critically, and began to write about them even more one-sidedly and more incorrectly. I was able to convince myself of this from one otherwise minor detail, the way in which NIN portrayed my speech last year at that well-known 17th session of the LCY CC. Perhaps you will not agree with this, but NIN—as an otherwise prominent and influential Serbian and Yugoslav newspaper—has begun, at least in my opinion, to lower its professional level seriously in the last few years.

In any case, I do not deny NIN its right to a Serbian orientation as such. On the contrary, any newspaper should, and even must, express the attitude of its milieu and support the policy of the political leadership,

republic, provincial, or regional, in supporting the economic and social progress of some region. That is indisputable. The question is just adhering to the right proportion between adherence to one policy, and attitudes toward others. That means the ability of a journalist or editorial board to view as objectively as possible the possible weakness of his or its own policy, but also the virtues and advantages of another policy. In this regard, I think that NIN makes considerable mistakes.

[NIN] In writing about the amendments to the Slovene Constitution, we have tried to express the opinion of the Slovene representatives, both from official politics and from the alternative movement, and only then to begin polemics with them.

[Hafner] Yes, I have read that, and I think that such attempts are useful. But when I am critical of NIN, you must not think that I am not also critical of the Slovene news media. I think that they are somewhat more tolerant, and more professionally correct in covering political events in Serbia and other parts of Yugoslavia. Nevertheless, essentially they are also considerably biased and one-sided in informing the Slovene public. Thus we are all spinning in the same vicious circle: Politics guide the news media, they guide the public on that basis, and then politics guide the public that has been thus directed. In that circle, instead of contributing to a patient dialogue and understanding among us, the news media instigate quarrels among us and intensify our disagreements beyond their justified limits.

[NIN] Four years ago, you spoke with NIN about relationships within the Federation. You said then that it was equally senseless and harmless to advocate turning our federation into a confederation, and into a centralized, unitarist state. What do you think today about that seesaw between confederalism and unitarism?

[Hafner] I have not changed my views on that in any respect since then, although in comparison with the situation at that time, we are now much more obviously faced with pressures toward both wrong directions. In Slovenia, above all, there has been an increase in the number and influence of those people, including some intelligent and well-intending ones, who at least privately support a confederation. In their opinion, at the present time that would be the most suitable type of state for multinational Yugoslavia, with so many historical, economic, cultural, and even religious differences. Those people, however, are obviously overlooking the fact that most confederations in the world to date have, for various reasons, either collapsed or turned into federations, and usually into centralized states.

People often cite Switzerland as an efficient form for a multinational confederation. But we know that it is a country with a unified economic and political system, which is regulated by the Swiss Parliament, and which is ensured above all by the interest and influence of powerful centers of economic power and information. The rights of the cantons are only seemingly great, but in fact

have been reduced to guiding regional or municipal development and emphasizing ethnic features, primarily in the areas of education and culture. This means that their real autonomy is incomparably less than the autonomy of the republics and provinces in our federation.

[NIN] Don't you think that in Slovenia there are also real separatists who are by no means naive and well-intentioned, and who advocate a confederation as the first stage in the actual secession of Slovenia, even though they do not say so publicly?

[Hafner] They exist, of course, and their number is increasing. Nevertheless, for the time being they are neither numerous nor influential. In any case, they do not even know whom we should join, Austria or Italy, or how. And we all know what will happen with our ethnic minorities then. The entire Slovene people could quickly find itself in a similar position then.

[NIN] Since we have mentioned secession, we have come to what is most relevant today—the amendments to the Slovene Constitution, which have already been adopted now. Do you think that perhaps these amendments—I am thinking of the most controversial ones—have prejudiced some solutions in the Federation that would lead to its confederalization or even to its destruction?

[Hafner] You are surely thinking of the most disputed amendment, No 10, which deals with the inalienable right of the Slovene people to self-determination, which includes the right to secession and association. I am not an expert on constitutional issues, so I cannot judge them authoritatively. I think, however, that it is precisely that amendment, an otherwise politically very significant and sensitive amendment, which is the least disputable, at least from the standpoint of constitutional law.

Even in that conversation of ours 4 years ago, your NIN comrades asked me whether Slovenia could remain alone, i.e., whether it could secede from Yugoslavia and constitute itself as an independent state. I answered that this was not realistic, although there were even smaller states in the world, and that the right to self-determination also contained the right to secession. I also said that perhaps the Slovenes, and also other Yugoslav peoples, in some distant future and in fundamentally different international circumstances, would really think about some other possibilities. Today most Slovenes are convinced that, just as during the national liberation struggle it was only by uniting with the other Yugoslav peoples that we could prevent our destruction and ensure free and successful progress in our Slovene republic; even today we can only ensure this while united in a federal, socialist, and self-managing Yugoslav community.

[NIN] That is what you said then. Have Slovenes' views changed in any respect since then?

[Hafner] I am convinced that even today, that is what most Slovenes think, although somewhat less now than

then. The cause is this long-lasting social, and primarily economic, crisis, which we still do not have the clear directions and instruments to overcome successfully. All of this is seriously demoralizing working people, and even communists. It is making them more and more critical and skeptical in their views, both with respect to our self-managing socialism and all other kinds of socialism, and also with respect to the functioning of the Yugoslav federation. Much that is positive comes from such a critical attitude, but also much that is negative.

In the first place, it is certain that today, without holding back, people are uncovering everything that is bad in our society and should be abandoned, and, in the second place, it is certain that now, more persistently than ever before, people are seeking ways for the progressive transformation of socialism for the sake of the true liberation of labor and man, and the successful and stable socioeconomic development of the country. The aspiration for as broad as is possible democratization can also be included in that. Slovenia is certainly ahead in this, although in other parts of the country, especially in Serbia, this is not sufficiently understood.

What is negative is, first, that in this euphoric critical mood, which has arisen from our present deep crisis, an attempt is being made, in part successfully, to explain everything progressive that we have achieved to date. And in the second place, in this gloomy crisis atmosphere, some extremely radical and pragmatic options are emerging for the transformation of our society, which could lead to completely different results from those desired, and even to tragic denouements.

[NIN] Among those mistaken options, could one include at least some of those five or seven controversial amendments to the Slovene Constitution?

[Hafner] I would not include them in that way. I think, in fact, that in addition to the other 85 amendments that were adopted, these were also essentially progressive. That does not mean that they could not also be the subject of serious expert and political verification. And you know that some of those controversial amendments would not even have originated in a different and more favorable political situation. For instance, if not for those tragic events in Kosovo, and some other interethnic exacerbations, that disputed amendment 63, which deals with the introduction of emergency measures, would certainly not have been originated.

The same thing applies to that other amendment, the most challenged politically, No 10, on the right to secession. Now, when it has already been adopted, we should not view it as an expression of Slovenes' real attempts to achieve an actual secession from Yugoslavia, but rather primarily as a serious warning to all of us that such a possibility exists. Consequently, we should think less about how to prevent that by repression or by strengthening unitarist aspirations, and should act more persistently to eliminate those objective economic and social reasons that Slovenes, or any other people, could

cite for exercising their right to secession. That means using creative work and as much mutual understanding as possible to build such an efficient and progressive Yugoslav federation that all of its peoples and nationalities will accept it as their common homeland. And at this moment, it is essential to surmount the economic crisis that could otherwise inflame all types of separatism.

[NIN] How do you interpret such insistence by all the organizations in Slovenia on the right to secession precisely at this time, when it is obviously irritating everyone else in Yugoslavia?

[Hafner] Such extreme and biased reactions originate, above all, from insufficient or very one-sided public information about the real content of those amendments, and also about the current political events in Slovenia. Nevertheless, I think that the concern of others about the possible consequences of those amendments, especially the one on secession, has some justification.

I will simplify this by explaining it in terms of a comparison with the relationship between a husband and wife in a marriage. They know that they have the right to divorce, but they are also aware of the fatal consequences of such an act, primarily for their children but also for everything else that they have created in their life together. That is why each of them can be justifiably concerned if he even hears that the other could do something like that. At the same time, that necessarily impels him to think seriously about his own contribution to their possible separation.

Well, that is how I view the concern of other parts of Yugoslavia in connection with the adoption of the amendments to the Slovene Constitution. That is also how I understood the reaction of the Subotica Communists during my recent visit to Subotica. As a member of the LCY CC, I attended their special electoral conference, at which numerous delegates expressed their extreme disagreement and concern over that act by the Slovene Assembly.

[NIN] As early as last year, open public confrontations began among the party leaderships of the republics and provinces, and things have only become worse since then. That was also shown at the latest and 27th session of the LCY CC, at which there was a discussion of the controversial constitutional amendments. The positions adopted by the required majority on that issue were immediately violated in the republic to which they applied. After that, can the LC [League of Communists] still claim to be a unified organization and the only integrating factor in the Yugoslav federation?

[Hafner] You are certainly thinking of that position of the Central Committee that supported postponing the adoption of the controversial amendments by the Slovene Assembly. You know that we, the Slovene members of the LCY CC, opposed the adoption of that position, because it was simply impractical. In fact, the CC adopted those positions at 7:00 am, and at 9:00 the

session of all the Slovene Assembly councils began. Our attempt to influence the Communist delegates would have been contrary to the positions adopted a day earlier by the Slovene LC CC. Even if we had tried that, we could not have accomplished anything. We would only have discredited ourselves as Communists in the eyes of the people and the working class.

Concerning the unity or disunity of the LC and the division of its leaderships, I would say that this is primarily a reflection of the profound ideological and moral crisis of our communist movement, which coincides with the general social crisis. It had to be reached sooner or later. In fact, we Yugoslav Communists accepted the fulfillment of a truly grandiose project of revolutionary social transformation, with the goal of the true liberation of labor and man.

We certainly did not make a mistake by committing ourselves to that. Our mistake was that we overestimated our own creative and moral strength, and laboring under many real-socialism concepts, we underestimated the weight of the objective economic and social conditions, both internal and external, under which our social transformation was taking place. Because of that, in spite of the progress achieved, we did not achieve that decisive stage of development in which the socialist self-management relationship would really be consolidated as the dominant production relationship in the whole of social production, and would be regenerated through its own laws. That is the essential cause of the present stagnation and crisis experienced even by the LC itself.

[NIN] What is the role and responsibility in this of the LCY CC, of which you are a member? What negotiation and coordination mechanisms should it use before going onto the public stage? In view of what has happened at several of its sessions, including the last one, one can hardly expect it to make a productive contribution to creating more unity and successfulness for the LC.

[Hafner] You should address that question first of all to Comrades Kucan, Stojcevic, Trifunovic, and other presidents of republic and provincial committees, and hear their answers.

I do not deny any one of them his political, moral, and operational qualities, nor his good intentions. I think, however, that they themselves are not capable enough of rising above the narrow interests and viewpoints of their republics and provinces, and contributing more to overcoming the objectively unjustified differences. Furthermore, they are the ones who through their significant influence are contributing to turning the members of the Presidium and the Central Committee into homogenized groups of representatives of their own republics and provinces.

[NIN] Since we are talking so critically about current events within the LC, what do you expect from its 14th extraordinary congress?

[Hafner] I was asked the same question when I was interviewed by NIN 4 years ago, only in connection with the 13th LCY Congress. I said then that I was a moderate optimist. In fact, I expected that in the past 3 years we would at least achieve some modest positive turnaround in surmounting the social crisis. But, as we can see, the crisis is still intensifying.

And now we have little time before the 14th Congress to change our present awkward situation for the better. Nevertheless, I think that we Yugoslav Communists will be able at that congress to agree, at least in principle, on the fundamental issues of implementing the so-called three reforms. That would allow us later on to begin gradually changing the actual social situation for the better. I am a moderate optimist this time as well. In fact, in spite of many serious weaknesses, the LC has among its 2 million members enormous creative and moral forces, and still has enormous social influence even now. The 14th Congress should direct those forces toward productive action. The preparations for the congress that have begun are aimed in that direction. Nevertheless, I must emphasize again that the success of that congress depends above all on the orientation of the republic conferences and the provincial conferences. If they are aimed at reconciling our viewpoints and activities, then the 14th LCY Congress could really be successful. Otherwise, it could divide and incapacitate us even more.

[NIN] Finally, Comrade Hafner, I have one more question. You are familiar with the course and positions of the recent congress of the Hungarian Socialist Workers' Party, including its decision to rename itself as a socialist party. How could that influence our communist movement, since there are also similar views among us as well?

[Hafner] I am not yet sufficiently familiar with the events at that congress. According to what I know, I could assess it as a truly radical and essentially progressive historical act. It will certainly have definite influence on the conduct of other communist movements, both favorable and unfavorable.

And in connection with their redesignation as a socialist party and the possibility that we might do something similar, I would only point out one fundamental historical difference between the Hungarian and Yugoslav communist movements, and between the Hungarian and Yugoslav socialist revolutions. That revolution was brought to the Hungarians through the victory of the Red Army. It was only then that they accepted it as their own and tried to adapt it to their own circumstances. And as early as 1956 they had to save it again through the intervention of the Red Army. That is why it has not been hard for the Hungarian Communists, even today, to abandon certain fundamental characteristics of the communist movement, which were actually not even present in their country previously.

We Yugoslav Communists, associated with other progressive forces and the broadest popular masses, won our own freedom and our socialist revolution. By breaking

with the Comintern and with Stalin, and by introducing self-management, we set out along our own original path of building socialism. If we are in a serious crisis today, that still does not mean that we should abandon that path and renounce certain fundamental characteristics of the workers' and communist movement, including the name of the League of Communists.

BORBA Interviews Croatian Critic of Milosevic, Cosic

90EB0055A *Belgrade BORBA in Serbo-Croatian*
14-15 Oct 89 p 5

[Interview with Zivko Jelacic, by Dragan Popovic in Split, date not given: "I Do Not Want To Be Present at the Destruction of Yugoslavia"]

[Text] "Intellectuals of Croatia, if the top leaders of Yugoslavia do not dare to call Slobodan Milosevic, who at Gaza-Mestan explicitly threatened bloodshed, to account, we will protest as antifascists and demand retirement of the Milosevic group from the political life of this country." Thus wrote Zivko Jelacic, academician of Split, in his open letter to the intellectuals of Croatia, published at the end of August mostly by the "Northern" newspapers, thereby definitively stirring up already troubled public opinion. Jelacic, the controversial academician, has been characterized both in "Southern" newspapers and at various meetings as a nationalist par excellence who should be retired from public life. As time has passed, the individual contradictions that have become apparent in the letter have added further fuel to the flame of the polemic.

Academician Zivko Jelacic was born in Split in 1920, in a bourgeois family. His father was a lawyer before the war, and a public attorney after it. Perhaps this is a tradition, as he himself says, because his grandfather was a lawyer who wrote laws. When the ustashi occupied Zagreb at the beginning of April 1941, young Zivko, being sympathetic with the Left, gave up his studies and joined the partisans. In mid-1943, a prominent young man, he was accepted as a member of the League of Communist Youth of Yugoslavia. However, he soon clashed with the "purists," above all Radovan Zogovic and Milovan Djilas, of the Communist movement. The poetry he wrote at the time, which was influenced by Llorca and Blok, was characterized as decadent. From that time until mid-1946 he was out of favor with his Communist friends. When he was then rehabilitated as a writer, he was accepted into the Communist Party of Yugoslavia. Until 1969, as he himself says, he was a model member of this, at that time mass, organization. The reasons he gives of why he was compelled him to leave the Communist Party of Yugoslavia go back mostly to the compromising affair over the book "Dva hrama dvije razvaline" ["Two Churches Two Ruins"], by Andjelko Vuletic.

Immediately after the war, Jelacic wrote belles lettres in Zagreb. His poetry was already drawing attention to him.

In 1951 and 1952 he was secretary to a writer in Croatia. He then returned to his native Split to be able to devote more time to his writing. For years he taught Yugoslav literature at the Teachers' College, which later became a university college. Professor Jelacic retired 10 years ago, however he has continued to concern himself with literary work. He has also written around 20 books, novellas, essays, and novels. His most recent book was published a year ago under the title "Balada o kostima" ["A Ballad of Bones"]. He currently holds the position of president of the Literary Circle, an organization which occupies an impressive place in Croatian culture.

It is interesting to note as a piquant detail that he is married, as he expressly points out, to a Serbian woman from Leskovac, who, even more paradoxically, had the maiden name of Milosevic. He states that he is entirely Yugoslav oriented, and that the reason he is appealing to Croatian intellectuals is his fear for Yugoslavia.

Below we present excerpts from an interview of Academician Jelacic recently conducted in Split.

[Jelacic] The break between republics did not happen overnight. Divisions were becoming obvious even 7 to 8 years ago. I remember when several of us from Split were at a meeting of the Writers' Association of Yugoslavia, at which we talked about our literary projects. And what actually happened there? It is hard to believe how we have become so isolated from each other and how we fail to recognize each other. I said at the time that the important thing is not to read each other's materials but to be friends. Why should a Serbian writer not be a true friend of mine, one who could come to visit me as I could go to visit him? This is what forms the basis for getting to know each other, not some ostensibly literary evening party. Well, now this division has the result that I know better what is happening in Italy than in Belgrade.

[BORBA] How do you interpret this separateness, which is obvious?

[Jelacic] I interpret it as separateness of interests. Everyone looks after his own concerns and nothing else interests him.

[BORBA] When do you really think that this split between federal units began?

[Jelacic] I think that it began a good 30 years ago. Look, in my opinion—we use this phrase a lot—everything was turned into a puppet theater. Everything was manipulated. You had, as we may term it, a magnificent facade, but no one looked to see what was behind it. Consequently, it turned out that there was a knife concealed behind this magnificent watchword of "brotherhood and unity." And even 30 years ago it was said that everything had been resolved. It is usually said that without Yugoslavia there is no survival. And that is correct. Our

interests are such; this last war proved that. Every young person must know that Yugoslavia is a creation not of Versailles but of fate.

Immediate and Extended Family

[BORBA] You are tagged as a "problem person." This tag is put on you because of the open letter sent to the Croatian intellectuals. However, there is the disturbing fact that you appealed only to Croatian colleagues, even though you are giving the impression in our discussion of a person who unreservedly advocates Yugoslavia. Is it not a little paradoxical that in the letter in which you attack the Serbian leadership, "Slobodan Milosevic and his group," as you put it, you appeal only to Croatian intellectuals? Why did you not see fit to appeal to Yugoslav colleagues?

[Jelacic] I will tell you why. I appealed to a narrow public, but not as is usually interpreted, "as an ustasha" from "the other side." I thought to myself that an intellectual from Serbia might say "how dare you speak in our name? Who gave you the right to do it?" I simply wanted to narrow things down, to turn exclusively to my immediate family, not all of Yugoslavia. I have never wanted to be a leader; I did this only as a reaction to everything that is taking place in Yugoslavia.

[BORBA] You seem to want to say that you would not have found wide support among intellectuals.

[Jelacic] No, on the contrary. I said that individuals might ask me on whose behalf I speak. Consequently, I appealed to the immediate community, not out of false modesty but from pure conviction.

[BORBA] Did the meetings and individual statements at them give rise to your fear that moved you to write the letter? Or can you cite particular circumstances which directly influenced you to write the letter and stir up Yugoslav public opinion?

[Jelacic] What I meant to say I said in the subtitle: "Let us stand up and demand that the Milosevic group retire from the political life of this country." Then I abridged the entire text considerably, and I will only list all the points here. My point in the letter is clear: The disintegration of Yugoslavia is the fate of all of us. What Cosic is doing is real sleight of hand concealing Pasic. We all have been frightened by such performances. To make myself perfectly clear, I want to say that I was not afraid. I wrote this because of my grandchildren. I have grandchildren. I do not want to be a leader. I am constantly asking myself, what kind of life will our descendants lead when we are no longer around?

[BORBA] For the most part you speak in generalities. Specifically what do you criticize Cosic for?

[Jelacic] I criticize him for the interview he gave the Italian periodical TEMPO. I ask you, where does he get the right to offer the Italians these areas?

Slobodan Milosevic's Guilt

[BORBA] Just what is it that Milosevic is guilty of? He is the only one you address by name in the letter.

[Jelacic] It is this policy he supports. Look, I am criticized for writing one letter and not appealing to all of Yugoslavia, and there are people who are taking Yugoslavia apart. Is that a big difference or is it not? Listen, everybody is praising me now for my bravery. I ask you, if we had true democracy, would that have been bravery? I think that what I did is something normal, for true democrats. And what does bravery mean? It means to resist pressure. Look at the current situation in Yugoslavia: Individuals in Serbia can say anything they want to. It will not be long before Serbian intellectuals in Knin proclaim a new republic. If this is not splitting up Yugoslavia, there is no point in going on with our discussion.

[BORBA] In your open letter you say that the ethnic question in Kosovo is being settled with tanks. I assume that you are familiar with the fact, confirmed at all official and party and government levels, that a counter-revolution took place in Kosovo. Consequently, there is no disputing the fact that the counterrevolution in Kosovo was prevented by tanks. What do you really think about the Kosovo problem?

[Jelacic] Well, I believe that all this is an unresolved question. Secondly, I experience Kosovo above all as a writer, not as a politician. The rapes of Serbian and Montenegrin women have been mentioned as the main problem, but statements have also been published to the effect that Albanian women have been raped. This shows that this criminal act has not been committed against a single ethnic group. A criminal act which is characterized as ethnic is producing a fratricidal war. You know what is happening: Here at Knin a group of people are playing cards. People get into a fight because one person has cheated, and then everything is shifted to an ethnic basis. As soon as a crime is tagged as ethnic, this situation becomes dangerous.

[BORBA] But what is your comment on the fact that since 1981 about 40,000 Serbs and Montenegrins have emigrated from Kosovo?

[Jelacic] My comment is that nationalism, and pronounced nationalism at that, has existed among the Albanians too. And the policy applied to Kosovo has been all wrong. An intelligentsia was created in Kosovo, a university was opened, and yet there is no real proletariat in production. If factories had been opened earlier down there, the proletarian consciousness would have been different. But the wrong thing was done. An intelligentsia was created which became caught up in a legend, the legend of Skanderbeg. This intelligentsia made the gap even wider, rather than bridge it over with proletarian consciousness. We here in Dalmatia have developed so much that our worker and the Italian are exactly alike. You see what I mean? But this is not the case with Kosovo. Everything going on down there is the result of a wrong policy.

[BORBA] If I understand you right, you talk about a continuity of wrong policy over the last 25 years.

[Jelacic] Absolutely. The party can accuse anyone it wants to for the situation in the country, but it must accuse itself first of all. The trust the masses placed in this party was fantastic. And how far did we get, I ask you? I was present at the collapse of Yugoslavia. I do not want to allow any more of this. I have become a rebel in public. I ask you, what is the party's attitude toward intellectuals? But not just the party's attitude, that of society as a whole. Here is an example. In the opera *Nero* a woman takes off all her clothes. She runs across the stage naked and makes 800 million. Contrast with her a European latinist, Professor Glavicic. He translated an 800-page book. He worked on it a year and a half and received a honorarium of 420 million. You could earn this much money by stripping naked and running across the market square, right?

Naked Women and Scholars

[BORBA] One of the critics of your position on the ethnic question recently reminded you that at one time you signed the well-known declaration on the name and position of the Croatian literary language, and that it did not bother you that the declaration treated the Serbian people in Croatia as if they did not exist. What is indicated by the fact that the Serbian language has been thrown out of the Croatian constitution?

[Jelacic] The only republic which makes a special statement of this nature in its constitution is Croatia, which refers to Serbia. Its constitution makes reference to the state of the Croats and Serbs and all other peoples and ethnic groups. It is the only republic in which the people have not apostrophized themselves as the exponent of statehood, but instead associate themselves with another people. Insofar as the language is concerned, the Constitution makes reference to the "Croatian literary language," not merely the Croatian language. This is a big difference. It is a language that has evolved from the books of writers. And our specific characteristics are our own, but we consider the spoken language to be uniform.

[BORBA] The Serbian Constitution makes reference to "Serbocroatian," does it not?

[Jelacic] Yes, but in our Constitution we stated specifically "literary." Krleza has said a hundred times that he is a Croatian writer and writes in the Croatian language.

For that matter, I believe there is no school in Serbia at which the pupils do not say "we are going to Serbian language class."

[BORBA] You must excuse me, but I always went to Serbocroatian language class.

[Jelacic] The Croatian language is taken from books, and the books are written by Croatian writers, not Croato-Serbian ones.

[BORBA] Presumably there are writers of Serbian nationality who live and work in Croatia.

[Jelacic] You are right, but they have written in their own version of the language. No one has changed Vojin Jelacic's writing from Serbian to Croatian.

[BORBA] Is the identity of a people not lost by the very fact that the word "Serbian" is deleted from the Constitution? Is this not really a traditional form of assimilation?

[Jelacic] The Cyrillic alphabet is taught at school in Knin, and so no one loses anything. For that matter, there are other ethnic groups living in Croatia, and no one restricts any of their rights. Just as nobody prevents an Italian from writing Italian in Istria, a Serb is not prevented from writing Serbian.

[BORBA] You criticize Slobodan Milosevic. What do you think of other political figures in Yugoslavia, in Slovenia, for example?

[Jelacic] If I were to see Stanovnik face to face, I would ask him, what do they want? This country has a single-party system and speaks theoretically about pluralism. Slovenia is a diaspora in which democratic parties are being founded. In my opinion, they have manipulated everything. And I believe that all this is a farce played out to preserve the single-party system. That is, I simply do not believe in all these parties. It reminds me of De Sica's films. Cops and robbers.

If this country allows itself to be governed by reason, then the parties to be formed in this country will unify Yugoslavia. In this sense I favor a multiparty system too, because no one can say that reason prevails in Croatia but not in Serbia or vice versa. Then I would be a nationalist of the first degree. Reason is the same around the world. Technological process needs man as meridian. Consequently, the parties must be based on human intellect, not on an ethnic entity.

This is what Jelacic says, and wonders.

INTRABLOC AFFAIRS

Warsaw Pact Naval Capabilities Assessed

90EG0030A Frankfurt/Main SOLDAT UND
TECHNIK in German No 10, Oct 89 pp 756-761

[Article by Peter-Georg Koenig: "Naval Capabilities: The Soviet Union and its Allies"]

[Text] Precisely in these times it is more obvious than ever before that the concept of "threat" is not a static matter but a constantly changing dynamic process with an ever new face. This involves not only a change in the way the NATO partners look at this, but the Warsaw Pact itself has undergone a fundamental transformation in these months. And this transformation is perhaps developing into the most incisive turning point in the now 40-year-old history of the Eastern defense alliance.

Changes have thus taken place in the area of defense technology through new, more complex weapon systems. However, the political thinking and thus the military doctrine itself has also been subject to a fundamental change in thinking. Bearing all these viewpoints in mind, a statement about the possibilities and capabilities of the opponent can only be and remain a momentary consideration.

The Task of the Soviet Naval Forces

From their fundamental reflections about a potential war scenario, the Soviets are likely to derive the following set of tasks for the Navy:

- The Navy is to contribute to the strategic offensive and defensive overall capabilities of the Armed Forces.
- The Navy is to be capable of undertaking maritime operations in oceans everywhere.
- The Navy is to support Soviet policy worldwide as an instrument of naval power.

This results in the principal scope of duties for the Soviet Navy being:

- The Wartime Duty—to protect Soviet territory far forward at sea against the influences of an opponent, to assure Soviet reaction possibilities in the form of deployment of the strategic second-strike potential and to deny NATO the use of the oceans for its ocean links;
- The Peacetime Duty—to deploy this instrument of power, the "Navy," everywhere needed in order to deliver lasting support to the Soviet foreign policy and to represent Soviet interests worldwide.

The presence of fleet units and "showing the flag" wherever Soviet political or naval interests are served as well as exercising pressure on economic interests in the Western world are tasks, which derive from this peacetime duty of the Navy. As a result, since the late 1960's the Soviet Navy has stationed naval units in all important foreign seas.

To be sure, it has turned out in the last few years that such a policy neither led to the desired sweeping success, nor could it be sustained in the long run in the Soviet Union itself against the background of dramatically growing economic difficulties.

The Soviet Union will therefore continue to reduce the stationing periods in foreign waters and concentrate more on defending the homeland. This is equal to a task of world naval power thinking.

Structure of the Soviet Naval Forces

The Soviet Navy is divided into four naval sections:

- The Pacific Fleet (PF) with headquarters in Vladivostok; it is the largest fleet.
- The Northern Fleet (NF) with headquarters in Severomorsk; it is perhaps the most important and most powerful fleet.
- The Baltic Fleet (BF) with headquarters in Baltiysk; it is the fleet posing the greatest threat to Germany.
- The Black Sea Fleet (BSF), with headquarters in Sevastopol.

In addition, there are worldwide naval presences as additional operational branches of the Soviet naval forces. In the Mediterranean, for example, an ever-present unit of about 35 to 40 combatants and auxiliary ships has been stationed since 1962. And, further, there are the merchant, fishing and research fleets, which are centrally directed from Moscow.

The Naval Forces of the Warsaw Pact in the Northern Flank Region

The northern flank region, which to a significant part is also the operational area of the German Navy, constitutes the principal deployment area of Soviet Northern Fleet. In combination with the Baltic Fleet, the NVA People's Navy and the Polish battle fleet this represents the threat potential to the German Navy.

The northern flank region is held to be a strategic unit, and this is why the forces present here must be regarded as a whole. The area includes the Baltic Sea, the Baltic approaches, the North Sea and the Norwegian Sea with bordering waters, as well as parts of the mainland and the islands enclosed in these waters. It contains important key positions for both sides—such as northern Norway, Iceland, and the Baltic approaches—the possession of which for the Warsaw Pact is a precondition for successful warfare in the Atlantic, but for NATO is the precondition for successful defense of the northern flank.

The Warsaw Pact divides the European theater of war into various sections, so-called theaters of acts of war (TVD's)¹.

In TVD "North," which probably includes a part of the North Atlantic, the European Arctic Ocean and the Norwegian Sea, the Northern Fleet (NF) represents the principal forces of independent warfare of predominant naval character.

In TVD "Central/Western Europe" the "United Baltic Fleets" are closely integrated with the strategic concept of the predominantly continental character of overall warfare.

The Soviet Northern Fleet represents the most powerful concentration of naval resources in Europe. Its principal duties are:

- to assure and protect the Soviet Union's second-strike capability, which is based on strategic submarines;
- to assure naval dominance in the European Arctic Ocean and in the Norwegian Sea and to extend it west as far as possible (into the GIUK gap)²

That is to say to form a naval bastion, from which:

- the Soviet motherland is protected far forward against long-range cruise missiles;
- penetration by NATO naval forces (which, among other things, are intended for the protection of and deployment in Norway) is prevented;
- favorable geographical positions in Norway are gained;
- the central front is supported by naval resources;
- internal European reinforcement and supply routes via the North Sea are halted, and
- the sea links in the Atlantic can be threatened.

Despite their size, the forces of the Soviet Northern Fleet are not sufficient, of course, to fulfill all these extensive tasks simultaneously. The Soviet Union must also set priorities.

The Northern Fleet is stationed at numerous bases on the Kola Peninsula and is structured according to the strategic mission and the predominantly oceanic tasks:

More than half of all nuclear-powered submarines with ballistic nuclear missiles (SLBM) form the nucleus of this fleet. They represent the constant presence, regarded by the Soviet Union as perhaps the most necessary minimum to guarantee peace, of a strategic second-strike capability.

Of the major surface units in particular the light aircraft carriers of the "Kiev" class ("Kiev" and "Baku") and the heavy missile cruisers of the "Kirov" class should be mentioned, both of which caused major sensation when taken into service.

The newest unit, the "Kalinin," is conspicuous due to its completely new hybrid weapon systems, which replace the older automatic Gatling guns including their fire-control equipment. The new aircraft carrier "Tbilisi" (about 70,000 tons) under construction in the Black Sea is likely to belong to the NF as well and there help reduce the problem of naval air support with advanced air defense.

The category of destroyers and frigates, which are present in large numbers, is also being modernized and reinforced at this time through destroyers of the "Sovremenny" class under delivery, by which the capabilities in

air defense and surface target combat are being quantitatively and qualitatively reinforced, and those of the "Udaloy" class, which represent a considerable improvement in ASW [antisubmarine warfare] capability.

In addition to new fighter bombers and bombers with long-range antiship missiles, the naval aviation forces of the NF also include electronic warfare aircraft, long-range reconnaissance aircraft and long-range aircraft for wide-area ASW.

As amphibious potential, one active and one cadre-strength naval infantry brigade are present in the NF region.

North Sea Theater

This naval power of the Soviet Northern Fleet also operates in the North Sea and thus in another part of the operational area of the German Navy.

- Submarines can block the sea lanes between the Faeroe Islands and southern Norway, make it difficult for our own naval resources to leave the North Sea and be used against civilian and military sea traffic in the northern North Sea.
- Far-reaching antiship missiles from floating, airborne and submerged platforms can reach the central North Sea from the Norwegian Sea.
- Standoff missiles can be used by naval aviation forces against supply and reinforcement transports in the North Sea and mines can be laid in regions of concentrated traffic.
- Intermediate-range ballistic missiles and cruise missiles can be deployed in a Eurostrategic role from the southern Norwegian Sea across the North Sea against strategic targets in Central Europe.

The fact that this threat emanating from the Northern Fleet is not fiction, has been impressively demonstrated by the Soviet Navy in several large maneuvers, most recently in the much-quoted "Summerex '85."

The Naval Forces of the Warsaw Pact in The Baltic Sea

Of even greater significance for the German Navy are the operations of the Warsaw Pact in the Baltic Sea. The "United Baltic Fleets" operate from numerous bases along the Baltic coast from Libau to Warnemuende.

In war, their task is likely to consist of

- gaining control at sea in order to use this sea region for their own operations and keeping the flank of the land front free, as well as supporting ground forces, respectively.
- gaining control over the Baltic approaches in naval, partly amphibious operations, in combination with units of the land and airborne forces, and operating from the Baltic against NATO forces in the North Sea.

Apart from a cruiser and a few destroyers and frigates, major landing vessels and a few submarines, which could be employed outside the Baltic Sea, the overwhelming

potential has been optimized for Baltic deployment, that is to say for so-called coastal warfare.

Surface Forces

The backbone of the surface force threat from all three Warsaw Pact navies for the last 20 years has been the so-called strike forces, the fast missile boats of the "Osa" class. Today, however, these boats are held to be obsolete and are therefore now being replaced in all three Warsaw Pact navies by the larger "Tarantul" class missile corvettes, which are superior to them in all respects.

Although it is not possible to expect that these ships of the "Osa" class are being replaced one for one, the introduction of this class nevertheless achieves an increase in combat capability. With the proven and constantly improved Styx missile with a 50 nautical mile range, their main armament corresponds to about double the range of the class 143 and 148 fast German missile boats.

However, on its "Tarantul III" the Soviet Union has the new antiship missile SS-N-22 with an approximately 60 nautical mile range and "sea-skimming" (meaning low-flying) properties. Here, there is close cooperation with helicopters, which transmit the target data.

In this connection—replacement of the obsolete "Osa" class—a glance at the new missile corvette with the tentative NATO description BAL-COM-10 might also be of importance. This involves a new development with a so far unknown missile system (probably ship-to-ship). The only unit so far has been in sea trials in the central Baltic since the end of 1988. In addition, three "Koni" class missile frigates have been added to the GDR Navy. These are a 2,100-t type, which is likely to be intended for surface warfare and anti-aircraft tasks.

The Polish Navy has received a Kashin-Mod as command ship and replacement for the obsolete "Kotlin-Sam."

ASW Forces

The absolutely necessary efforts to modernize lead toward a process of improvement of the ASW potential and thus the ASW capability. The Soviet Navy replaces obsolete classes with vessels of the "Pauk" class, a capable vessel for ASW in ocean-bordering seas, which has the same hull as the "Tarantul" class.

Here, the Polish Navy also needs to catch up considerably, while the NVA People's Navy has thoroughly modernized and expanded its ASW potential in the last few years. Twelve obsolete hunters were phased out and replaced by 16 larger and more powerful vessels of the "Parchim" class.

Further, all three navies have reinforced their potential for antisubmarine hunting through a helicopter-supported ASW system. This considerable expense tells us how threatening the existence of the Western submarines in the Baltic is to the Warsaw Pact and how much it is prepared to spend in order to counter this threat.

Submarines

Apart from a lesser number of submarines necessary for training, a powerful Warsaw Pact submarine component in the Baltic Sea will no longer exist in a few years, and the threat from submarines will therefore scarcely be present. Even so, the Polish Navy appears to represent a certain exception, because it is replacing their existing but obsolete submarine components with ships of the Soviet "Kilo" class.

This, the only diesel submarine under construction at the present time, is nearly twice as large as the "Whiskey" class, however, and is hardly suitable for Baltic duty—much less west of Bornholm.

Air Threat

Until a few years ago the threat of naval warfare operations from the air and the support of enemy naval operations by air-supported naval resources hardly existed in the western Baltic, and in the eastern Baltic to an extent acceptable to the German Navy. In the last few years, this in fact rather favorable picture for the German Navy has shifted completely to its disadvantage.

The Badger-type bombers of the Baltic Fleet are being consistently replaced by powerful, all-weather-capable aircraft of the "Fencer" class, which have a considerably longer range than the "Fitter," for example. In addition to reconnaissance, the "Fencer" may conceivably also have a second role as a fighter bomber. With an approximately 60-km-range air-to-ship missile it could then also be deployed against naval targets.

Another important development in this field can be observed in the NVA People's Navy. Since a few years back the existence of a new naval air group at Laage (near Rostock), equipped with a modern variant of the "Fitter" fighter bomber, has been confirmed. It is particularly notable that this navy, after nearly 30 years abstinence from a naval air component, has now taken the step into a new era.

The exact operational role of this group is not yet definable. Certain is, however, that the capabilities of the Warsaw Pact in the Baltic have been considerably increased in combined combat. It becomes clear that the intention is to deploy naval fighters against NATO units in the Baltic as individual components of naval warfare. The airborne threat to the German Navy in the Baltic operational region has been considerably increased by this.

In addition to this, the use of aircraft from the air forces can probably also be increasingly anticipated over water. Not just air attack but air defense forces from the USSR, as well as the "Western Group of Troops" and the NVA Air Force, can be used in air support operations at sea. To this extent, certain air force units here seem to be capable of a new task in the form of a second role.

In the event this also applies to the "Fulcrum" (MiG 29) fighter aircraft with look down/shoot down capabilities,

stationed in the northern region of the GDR, the operations of our own naval fighter bombers is likely to be considerably affected even in the western Baltic Sea.

The Amphibious Component

Undertaking amphibious operations is and remains one of the principal tasks of the Warsaw Pact navies in the Baltic. The potential available for this is considerable, measured by the narrowness of the operational area and the countermeasures to be anticipated.

A Baltic Fleet brigade, which can be regarded as an elite unit, as well as a Polish brigade can be described as pure naval infantry, while in the NVA People's Navy there is no troop unit which has a purely amphibious operational role.

Units of the First and Second Squadron of the USSR ground forces are held to be intended for amphibious reinforcement operations.

The amphibious transport capacity is sufficient for landing the amphibious-trained combat troops of the first wave, and for subsequent reinforcement landings a sufficient amount of civilian sea lift is available in the form of ro/ro and other special ships.

In renewing and supplementing the transportation capacity, reference must be made to a trend toward larger and more powerful classes of landing craft. Thus, at this time the largest and most powerful hovercraft vessel for military use, the "Pomornik" class, is presently being tested. Its performance and carrying capacity has been almost doubled in comparison with previous classes.

As a side aspect in this connection, one may point to the large number of about 45 minehunters for offensive use in overcoming Western minefields for undertaking amphibious operations.

Coast-Supported Naval Target Missiles

The restricted geographical dimensions of the Baltic operational area, which can be further narrowed by minefields, almost requires the support of Warsaw Pact naval operations by land-supported means. A gap which exists here is now being closed by the Warsaw Pact.

As so often, one is here making use of a convenient and pragmatic solution. The proven "Styx" guided missile with its peripheral equipment was made mobile on the corresponding vessels, and can now be deployed from any point on the coast against sea targets. This measure as well has increased the threat spectrum for our naval forces.

The structure of the navy and its adaptation to changing conditions is an evolutionary process in the Warsaw Pact as well. Thus, older, uneconomical and technically superseded units are increasingly taken out of service, without building new types at the same rate. The size of the Warsaw Pact fleets is therefore shrinking.

Nevertheless, the naval capabilities of the Soviet Union have increased in the last few years. The Warsaw Pact today possesses better and more varied possibilities in the inventory of its naval resources than a few years ago. It also has increased potential available for deploying these resources more efficiently.

Footnotes

1. Abbreviation for the Soviet term "Teatr Voyennykh Deystviy"
2. Greenland-Iceland-United Kingdom-Gap

Strength of Soviet Surface Combat Units

	Baltic	Arctic Ocean	Black Sea	Caspian Sea	Pacific	Total
Aircraft carriers	—	2	—	—	2	4
Helicopter carriers	—	—	2	—	—	2
Guided-missile cruisers	3	10	6	—	11	30
Cruisers	1	2	2	—	1	6
Guided-missile destroyers	8	14	12	—	14	48
Guided-missile frigates	6	8	7	—	11	32
Guided-missile corvettes	19	9	12	1	20	61
Missile patrol boats	30	12	20	4	30	96
Destroyers	3	1	6	—	2	12
Frigates	18	41	39	5	45	148
Corvettes/Antisubmarine corvettes	33	33	18	4	60	148
Antisubmarine craft	65	—	48	13	44	170
Torpedo patrol boats	3	—	—	3	—	6
Total surface units:	189	132	172	30	240	763

Strength of the Soviet Submarine Fleet

	Baltic	Arctic Ocean	Black Sea	Pacific	Total
Strategic submarines	6	39	—	30	75
with guided ballistic missiles	—	(39)	—	(24)	(63)
Tactical submarines	3	34	2	28	67
with guided missiles	—	(27)	—	(24)	(51)
Submarines with extended radius of action	9	86	4	39	138
Submarines with intermediate radius of action	18	2	21	19	60
Submarines with special tasks	1	6	5	4	16
Total submarines:	37	167	32	120	356
		(122)		(75)	(197)

Note: 1) Numbers in parentheses () = proportion of nuclear-powered submarines. 2) About 100 submarines in reserve status are not included in the above numbers.

Strength of the Soviet Naval Aviation Forces

	Baltic	North Sea	Black Sea	Pacific	Total
Bomber aircraft	80	75	110	100	365
Fighter bombers	35	40	—	75	150
ASW aircraft	25	85	25	75	210
Reconnaissance/electronic warfare aircraft	40	75	25	60	200
Transport aircraft	40	40	20	25	125
Tankers	10	25	10	15	60
[Total] Aircraft	230	340	190	350	1110
Helicopters	55	125	120	135	435
Total aircraft/helicopters	285	465	310	484	1545

Strength of Soviet Landing Craft

	Baltic	Arctic Ocean	Black Sea	Caspian Sea	Pacific	Total
Large landing craft	—	—	—	—	2	2
Intermediate landing craft	19	15	13	15	17	79
Small landing craft	24	7	19	13	36	99
Total landing craft:	43	22	32	28	55	180

Strength of Soviet Minelaying and Sweeping Forces

	Baltic	Arctic Ocean	Black Sea	Caspian Sea	Pacific	Total
High seas minehunters	23	29	25	11	26	114
Coastal/inshore minehunters	33	19	19	7	16	94
Minehunters/minesweepers	53	13	16	6	45	133
Minelayers	—	1	1	—	1	3
Total minelaying and sweeping forces:	109	62	61	24	88	344

**Strength of the Naval Forces of States Bordering the Baltic
(neutral and Warsaw Pact)**

Units	FIN	SWD	GDR	POL	USSR
Missile cruisers	—	—	—	—	3
Cruisers	—	—	—	—	1
Missile destroyers	—	—	—	1	8
Missile frigates	—	—	—	—	6
Missile corvettes	—	2	5	3	19
Missile patrol boats	8	28	12	12	30
Destroyers	—	—	—	—	3
Frigates	—	—	3	—	18
Corvettes/ASW corvettes	2	—	16	2	33
ASW vessels	5	—	—	20	65
Torpedo patrol boats	—	4	20	15	3
Minelaying and sweeping forces	15	48	45	45	109
Landing craft	14	24	12	38	43
Total surface units:	44	106	113	136	341
Strategic submarines	—	—	—	—	6
Tactical submarines	—	13	—	4	31
Naval aircraft	—	4	30	32	230
Naval helicopters	—	24	27	30	55
Personnel approximately	2,500	12,450	17,000	20,000	107,000

HUNGARY

Bourgeois Development, Privatization Proposed

25000517 Budapest FIGYELO in Hungarian
2, 9 Nov 89

[Excerpts from a paper by economist Janos Kornai, soon to be published by HVG Publishers: "Passionate Pamphlet on the Matter of Economic Transformation" first paragraph is FIGYELO introduction]

[2 Nov p 3]

[Text] During the summer of 1956 Janos Kornai was part of a working group that developed proposals for Hungarian economic reform. Since then he has not attempted to develop comprehensive economic policy proposals. Now he has summarized his views with regard to the changing of the economic system and the immediate economic policy tasks under the title "Passionate Pamphlet on the matter of Economic Transformation." In his work, to be published shortly by HVG Publishers, Janos Kornai expresses his ideas concerning property, and the political conditions and anticipated effects of economic stabilization and transition. Two segments of the "Pamphlet" will be published in this, and the next issue of FIGYELO. After establishing his positions in favor of fully liberalizing the private sector and of strong parliamentary control over the state sector, and after criticizing the manner in which property is being transformed at present, the author expresses his views with regard to the disproportions between the two sectors.

"The fatal trouble with socialist property is its depersonalized character. State property belongs to everyone and to no one. In this moment of Hungarian transformation the opposite of this must be stressed. I would like to see an individual who risks his own property. I would like to know if he loses by placing his property at risk, whether the loss will be a real loss to him. Let him convince others to entrust him with their money if he can. Let him find silent partners; if they have any brains, they will want to know to whom they gave their money. Certainly some private offices will emerge, some brokerage institution later on, which will enable silent partners to buy and sell their shares of business. This condition will precede the emergence of actual private stock capital. Most certainly, sooner or later real private stock corporations and a real private stock exchange will come about.

"All this is part of the organic, historical development of private property. This period of development cannot be eliminated. The progression of events is not symmetrical. The private sector can be liquidated in response to the state's command, but it cannot be developed on the basis of the state's command. By now, several decades of private sector operations have been lost. Bourgeois ideals, the concept of security based on private property, and values related to private ownership and to the marketplace have been extinguished from entire generations. One cannot disregard this circumstance and start

out by copying the shrewdest legal forms of business that exist in most highly developed capitalist countries.

"... Characteristically, private sector development can be accomplished only through gradual change. One cannot stage a siege, then hand over the economy to private ownership. Bourgeois development is a long historical process. The process of Hungarian bourgeois development was severed in 1949 in a dramatic fashion and suffered several decades of setback. Traces of private ownership emerged beginning in the 1960's in the form of renewed household farming, broadening and legitimate private activities, and the second economy. Chances are good at present for the acceleration of bourgeois development.... But even if the process is accelerated, it will take long years, perhaps decades, before a developed and mature private sector can evolve.

"In my view it is desirable to increase the size of the private sector to a point at which it provides a larger part of the gross domestic product [GDP]. This, however, can be accomplished only through an organic growth and social transformation process. As has been pointed out earlier in the study, this process has not just now begun, but has been going on for a decade or two already. This process must now be accelerated by implementing a number of practical measures.

"The term "reprivatization" is inappropriate in my view. Margaret Thatcher was able to implement a policy of this nature in England because in its foundations the private economy continued to exist and to survive during the era of nationalization. There was enough capital left in England to buy up state property at fair market prices. (Although one should add here that not even in England did reprivatization take place without difficulties.)

"What can be accomplished in Hungary, and what would be damaging to Hungary in my view? Let us begin with the latter.

"State property must not be wasted by virtually giving it away free to anyone for the asking. We are being faced with this situation all the time and in many different ways. For example, handing over state rental apartments to residents for a fraction of their market value is totally unwarranted, moreover residents must pay only a small part of the purchase price in cash in order to obtain such apartments....

"I have not seen proper, objective records that would indicate the number of shares transferred to private hands, and the prices charged to managers and other enterprise employees when transforming enterprises into stock corporations. Some pre-purchase options and preferential rates are appropriate. On the other hand, it would be totally unwarranted to create stockholders for paltry sums of money, even if such stockholders happen to be the manager and subordinate employees of an enterprise.

"One recommendation holds that state property should be distributed to the populace as a matter of citizen right.

Every resident could claim a piece of capital which he or she could use to establish an enterprise or could sell. This is a grotesque idea. Somehow it conjures up the idea that the state, the father of all of us, would have suddenly died, and that the inheritance is now being distributed in equal proportions to us, the orphans. In contrast, the state is very much alive, its apparatus is obligated to properly care for the assets entrusted to it until such time that appropriate guarantees exist for the transfer of such property to owners who will act as better guardians of the property than the state. Actual private entrepreneurial motivation must surge before this can be accomplished.

"And now, let us discuss the positive recommendations.

"1. Members of the private sector should have an opportunity to purchase properly defined parts of state sector property.

"2. Households should be able purchase state real estate (apartments or entire apartment buildings, lots, commercial space, etc.). Private entrepreneurs should be able to purchase plants owned by the state. Quite obviously, in today's Hungary it would not be realistic to expect private businessmen to purchase huge state owned enterprises. Nevertheless businessmen could purchase smaller plants. This could be made easier by breaking up today's large enterprises which artificially comprise several smaller units, and by selling those units to private entrepreneurs. The "double or nothing" principle must not be applied. It would be conceivable, for example, to break up a mammoth enterprise consisting of ten smaller units, each of which could be operated in a more viable fashion on an individual basis. Of these ten units, five could continue to operate under state management, while the remaining five would be sold.

"This kind of state property transfer to private hands should not be accompanied by the brutal dismemberment of indivisible units. Today's Hungarian economy is overly concentrated as compared to the degree of concentration that can be found in developed industrial countries. There are many opportunities for the development of smaller units, but no hasty action should be taken. In this regard the structure of concentration that came about in real market economies should be studied carefully, because that structure is a result of natural selection accomplished by competition. In these economies large, medium-sized, and small enterprises, and even contractors working at home coexist and cooperate. All these plant sizes are needed in Hungary. One should not artificially force the earliest possible placement in private hands of large enterprises, which for technical reasons must operate as single enterprises. Promoting such transfer is worthwhile where the private owner is capable of appearing in person, literally in a tangible manner. This point leads us to the next recommendation.

"Irrespective of what size state property is sold to private owners—ranging from the smallest to the largest piece of property, it must be sold at a fair market price.

"Generally speaking such a sale should take place in the form of an auction, and potential buyers should receive adequate notice of such auctions. Since in many instances state institutions—as nominal sellers—have no real interest in asking realistic (appropriately high) prices, independent organizations should be called in to determine upset prices. In some sales transactions the upset price is easily determined, e.g. prevailing price levels in the private apartment market serve as good starting points. Determining the starting price of productive plants is more difficult. In such cases one must start out by asking the question of how much of his own money a private entrepreneur would have to invest for himself to establish the plant unit offered to him for sale.

"3. An appropriate credit structure must be established to facilitate selling the state sector to private owners.

"The manner in which a possible credit transaction of this nature could take place is described for the purposes of illustration only, and does not constitute a developed proposal.

"A private person or group of private persons wants to purchase 20 million forints worth of state property. (Based on what has been said under 2. above, we assume that the 20 million forint price represents the real value of the property and that it is not some preferential price.) The potential buyer would instantly pay 5 million forints to the seller, and commit himself to pay the balance of 15 million forints within 5 years, in equal annual installments with interest due. At the moment of consummating the transaction the state property worth 20 million forints would become private property, nevertheless a mortgage covering the unpaid balance would remain.

"This mortgage should be based on ruthless, tough conditions. In the event that the new owner fails to pay the installment due, he should lose the appropriate part of his initial investment in the course of proper legal proceedings, and the property should then revert to the state organ charged with overseeing the loan.

"...This example should illustrate two important economic policy considerations. First, the upper limit of the total volume of state property that may be transferred to private hands is not equal to the total worth of existing private property. A hundred units of private capital available for the purchase of state property has the potential of purchasing state properties valued in multiples of the available private capital, as long as credit is made available to pay for the balance of the purchase price. Accordingly, to this extent the transfer of state property to private hands may be accelerated. Second, such credit must be granted to real, live persons and must not be permitted to disintegrate at intangible stock exchanges. Such tangible, live persons should be eligible for large amounts of credit, nevertheless such persons should lose their own initial capital if they are delinquent with their installment payments.

"4. The practice of leasing state property to private persons has been pursued on a large scale before.

"There is a continued need for this form. One should guard against making two kinds of mistakes. One mistake is if the lessor state enterprise demands capricious and unrealistically high leasing fees. Such high fees serve to motivate the lessee to wastefully manage state property, to squeeze out as much money as possible and move on. The other mistake is when the lessor wastes state property for an unreasonably low leasing fee. The need calls for sober, realistic leasing fees.

"Incidentally, the leasing system also presents itself as an appropriate form of transition toward sale. On the one hand the lessee gains experience as to whether it is worthwhile for him to purchase a given state property. On the other hand the state owner may be able to determine a realistic asking price. There are well known formulas to figure out how continuous lease payments may be transformed into a onetime capital amounts.

"5. Part of Hungarian state property may be sold to foreign owners.

"This practice should be limited, however, to an extent that such sales are in the Hungarian national interest. No economic difficulty should warrant the sale of national assets at low cost.

"...It is not worthwhile to attract foreign capital without establishing conditions, by requesting foreign investors to purchase Hungarian state property. To begin with, the influx of foreign capital benefits Hungary only if the purchase price is realistic. Further advantages may be gained by Hungary if together with the foreign capital there is an influx of modern equipment, as well as managerial, business, and technical know-how. Many foreign owned enterprises establish a high degree of organizational discipline. This may set an example and thus exert a favorable effect.

"One should also weigh, of course, the employment implications of foreign capital. It is possible that the presence of foreign capital will prove to be advantageous in this regard.... Nevertheless, Hungarian assets should not be sold to foreigners for the sole purpose of maintaining existing workplaces. Several means are available in the framework of employment policies, and the application of the most favorable combination should be considered on a case by case basis.

"6. One often hears an embarrassed statement to the effect that state property is being sold not merely to create budgetary revenues.

"In recent years it has become possible to discredit the idea of a balanced budget to such an extent that generating revenues has become somewhat of an embarrassment. The next chapter will deal with the budget in detail. At this point I would like to mention only this much: In the upcoming years the sale of state property will be an important revenue source for the state budget....

"Any sales transaction in the framework of which a piece of state property is sold at a fair price to either a Hungarian or a foreign buyer will relieve Hungarian citizens from contributing the same amount to the state treasury under the constraints of either tax payments or inflation. True, such revenues would constitute only onetime revenues for the state budget; they would not be permanent revenue sources. Nevertheless, they would be onetime revenues received at the best time, right now, when the most severe difficulties of stabilization must be overcome.

"7. Under 6. above we discussed the fiscal consequences of state property. Here I would like to describe the monetary consequences.

"A considerable amount of money has accumulated in the hands of individuals, and by the private sector in general. This "monetary overhang," this unexpended money which weighs heavily on the market exerts inflationary pressure. It could be absorbed in several ways, one of which is the sale of state property.

"The cash versus credit ratio in sales transactions is important from both the fiscal and the monetary standpoints. Reverting to the previous 20-million-forint transaction: How much of that money should be paid in cash upon changing ownership? Two million, five million, or eight million forints? Every macroeconomic interest suggests that the highest possible ratio of cash payment should be obtained. On the other hand, sellers may retard the process if they insist upon an excessively high starting price. Some experimentation in the market will be unavoidable.

"8. State property should be sold under conditions of the broadest possible openness.

"The legal framework of the process must be specified by law. There is a need for a parliamentary committee which oversees the implementation of the law.

"The press will play a significant role. In part, there is a need for a real business press to inform potential buyers and sellers. It is not sufficient to announce auctions only by the pro-forma publication of such announcements. Today's market jungle should be made far more transparent by the business press. I would like to know at what prices state owned apartments, real estate, and plants are bought and sold. Generally speaking, business secrets do not exist wherever the state is involved. Even if secrecy is warranted in exceptional cases, the parliamentary committee should be able to review such transactions.

"In addition to the role of the specialized business press, an important role is to be played by the rest of the press and by the opposition in unveiling possible abuses.

"In summary, the guiding principle for selling state property should not be to get rid of state property as soon as possible. 'We are bored with it, let's get rid of it.' This would be an irresponsible stance. State ownership is

appropriate in instances when the state is capable of performing a given task more efficiently than the private sector. No one would suggest, for example that public highways be transferred to private ownership. But even when the relative efficiency of state versus private ownership is debatable, the specific decision concerning a given sales transaction should be based on the above criteria. State property should be sold to private owners if macroeconomic considerations test favorably, and if there exist assurances at the microeconomic level that the new owner will be better than the old.

"...From the standpoint of dynamics we are dealing with a series of steps which characteristically constitute organic processes. The process must be energetically accelerated, but it should not be hysterically rushed at any price, or implemented in the form of a sudden, onetime operation."

[9 Nov p 3]

[Text] As we reported in last week's issue, Janos Kornai summarized his views with regard to the immediate tasks involved in changing the economic system and economic policy. He did so in his paper "Passionate Pamphlet in the Matter of Economic Transformation." In his work, soon to be published by HVG Publishers, the author expresses his views concerning the political conditions and expected effects of ownership, economic stabilization, and economic transition. In last week's and this week's issue FIGYELO presents parts of the "Pamphlet." The author believes that once a government that enjoys Parliament's confidence is established, a stabilization work program must be developed and implemented which enables the performance of a surgical "operation" within a short period of time. Part of this operation is to stop inflation. Following the excerpt presented here, the book deals with the remaining components of the "operation," including the restoration of budgetary balance, the regulation of demand at the macro level, and the formulation of rational prices.

"The first condition by which this action can be taken is to understand that inflation is a rather severe problem. This is not self-explanatory. Quite a few government officials and economists believe that inflation is not too great a problem, because it is well controlled. Anyway, they say, this is the unavoidable outcome of circumstances and therefore one should acquiesce in inflation.

"For example, if I understand this correctly, it is remarkable that neither the opposition parties nor the party of the government have issued a program in which one could read a definite promise to stop inflation in the event that they gain power after the election.

Governments Create Inflation

"I will quote a statement made by Finance Minister Laszlo Bekesi that appeared in one issue of TARSAD-ALMI SZEMLE: 'Unfortunately, it will not be possible to halt inflation in the upcoming years, because it is in part the legacy of a voluntarist economic policy—the

form in which the lack of balance and achievement has evolved—and in part the result of the natural fever related to structural transformation.' I do not agree with this statement. Inflation exists because the present finance minister and his predecessors decided that there should be inflation. Inflation can be halted only if the present finance minister or his successors decide not to have inflation. Inflation is not a natural disaster, it is brought about by governments and by political forces behind governments, and therefore it can be stopped only by the governments and by the political forces behind the government.¹

"An extreme, and obviously mistaken economic stance which holds that only the government can start and stop inflation does not follow from the above blunt statement. There are many participants in this game. Among molders of inflation we find all those who play a role in determining financial processes, prices, and wages. Willingly or unwillingly, in the final analysis every citizen contributes to the way inflation exists, citizens who are forced to calculate their economic plans by allowing for the future increase of prices. This inflationary anticipation evolves unavoidably in the course of an inflationary process, and regrettably it has already evolved in Hungary. Beyond a certain point this anticipation comes into being by virtue of itself. The circumstance that everyone counts on, for example, a 20-percent inflation prompts citizens to struggle for at least a 20-percent wage increase if sellers of goods and services raise their offering prices by at least 20 percent. Nevertheless, one must distinguish between the supporting characters and the lead actors of the drama that involves so many actors. Under any system, the lead role in the inflation drama always belongs to the government, and within that to the finance ministry. This statement holds twice as true in strongly centralized socialist economies in which the effect of government on prices and wages, the credit system, investments, and the rest of the economic processes is incomparably larger than in a capitalist system.

It Was Bad Advice

"In the final analysis the press that prints money that becomes diluted in the course of inflation is in the hands of the government. On the top, the government prints money mainly in order to cover the expenses it incurs over and above its revenues. And further, in cases involving a state sector of such proportions as ours, the government prints money to keep alive losing enterprises, and to pay wages that were let loose by the government. This is why the government is fundamentally responsible for inflation.

"In this relation it is not worthwhile to invoke the fact that many prestigious economists, among them recognized reform economists, advised the government to courageously pursue inflationary policies. This was bad advice, and every government chooses its own advisers, and the fountain sources of its policies.

"As a matter of excuse they also say that several countries have been struck by inflation. This is no excuse, just as an accused person cannot claim in court that the act he is accused of having committed was also committed by others.

"I am convinced that the present Hungarian inflation is of a far larger scale than what is reported in statistical data. Within the official accounting system private sector prices, and within those the officially recorded price levels of the second economy, are not allotted an appropriate weight. These prices increase much faster than those of the state sector. The ratio of products and services provided by the private sector in total consumption is quite high and is becoming higher. Other distortions are also included in data showing inflation. It is unfortunate that to this date no one has ever organized and provided financial support for a research group that could calculate inflation independent of the governmental Central Statistical Office. I would expect this research group not to let pass by the "lay" evaluation of millions of people according to which inflation is faster than what is shown in official reports, in addition to objectively observing the appropriate economic and statistical criteria.

"But let's depart from this accounting issue. Let's assume that statements that say the annual rate of the present inflation is between 15 and 20 percent are true. In my view this is a rather grave problem for at least two reasons:

"Inflation has a ruthless impact on the populace. It creates constant restlessness. Hard to accumulate savings just melt away in people's hands.

"Much is said these days about certain needed redistribution measures. Well, inflation accomplishes constant redistribution, and strikes mostly the poorest, those with fixed incomes and pensioners.

Selection Cannot Be Realized

"Pensions virtually disintegrate in a few years in the hands of widows and the elderly. Child care assistance funds and benefits, as well as family supplements increasingly lose their purchasing power. As a result of the race between prices and nominal wages those least organized and carrying the least political weight are worst off—those unable to enforce higher wages to keep in step or to get ahead of price increases though work slows down or though overt or covert threats to strike.

"I read in a number of places and heard a number of times political statements as to how social policies could assist the poor. I will return to these recommendations later in this study. Without taking a position in this regard at this point, I would like to note this much: It is indeed stunning that these writings and statements—in due respect to the exceptions—say nothing about inflation. In my view, anyone proposing or taking a position concerning social policies these days in Hungary should feel obligated to make a prominent statement as to what

he actually thinks about inflation. Without saying a word, these people acquiesce on the fact that inflation will continue. Moreover, they may suggest measures which in and of themselves have an inflationary effect.

"Inflation is contrary to the fundamental goals of changing the economic system. Rational economic calculations end with inflation. Prices do not provide appropriate orientation, because the effect of any relative change in prices is washed away by the general increase in price levels. If products A and B are mutual substitutes, and if we think that along with the given substitution rate, product A is cheap to an extent that it can no longer be justified from an economic standpoint as compared to the price of product B, then the economist's simple logic will suggest that we raise the price of product A. This line of thought is based on the tacit assumption that product B's price remains unchanged. The relative price change will have been worthless, however, if soon after the increase in product A's price, product B's price increases as a result of inflation.

"In the framework of a market economy the efficiency of production gains confirmation in the producer's profits. At the same time, inefficient production must lead to losses, and producers who lose money will sooner or later be rejected by the market. Through these means, and only through these means can a market economy contribute to the efficiency of production. This selection process does not come about with 100 percent certainty even in real market economies, but the statistical probability that this process will prevail is rather great. It is this selective effect that is being undermined by inflation. Both efficient and inefficient production gain "confirmation." Regardless of how inferior the work performed in a production unit may be, the expense may be covered sooner or later by way of a price increase. Anyone who raises prices need not admit that he may have performed inferior work, because he can always claim that his costs increased. Even if proprietary conditions permit, the state budgetary limits could not be made real solid, because inflation softens these limits even in the private sector. Viewing our experience in Hungary, let us think about the private businessman with whom the customer is not satisfied, and who does not work better than state enterprises, yet is able to charge high prices. The fault should not be found in the fact that the private businessman is greedy and wants to make excessive profits. An economy cannot be based on saints who restrain themselves. In such cases the trouble is that Hungarian inflation creates a large enough volume of money for the buyer to be prepared to pay the high price demanded by the private businessman who performs inferior work.

"This observation applies to an even greater extent to today's Hungarian state sector. Here the dance is being performed pursuant to a peculiar choreography. The pricing authority is the first actor. It establishes official prices. The second actor is the producer state enterprise, which establishes the prices of products in relation to which price controls have been lifted. The third actor is

the commercial bank which distributes the state's money. The fourth actor is the Hungarian National Bank which prints money and presumably controls the distribution of money. The fifth actor is the Ministry of Finance which manages the budget and which always incurs more expenditures than the revenues it receives. And finally, the sixth actor is the government, and the political force behind the government. All the actors point their fingers at each other. Each actor blames the inflationary measures on the rest of the actors in justifying his own inflationary measure. But after all, they all are organs of the same state! They are not independent of each other; taken together they constitute the 'government sector.'

Stop It!

"It will be impossible to enforce solid budgetary limitations at state enterprises as long as bureaucratic state property remains the dominant sector of the economy. The fundamental reasons for this are sociological in character. They relate to guarantees which the state, willingly or unwillingly, is forced to provide relative to the employment security of managers and workers in enterprises the state owns. The state is virtually incapable of bringing itself to a point where it liquidates a mass of workplaces. (We will return to this matter.) One must add the inflationary effect to this, as well as to other similar sociological factors: Budgetary limitations are pliable, because inflation itself continuously makes these limitations pliable. Whether a state enterprise performs well or badly cannot be determined, it is impossible to find out why costs have risen. The analysis of costs would yield information concerning efficiency only if the costs of some of the production factors would rise, while those of others would not. And further, if certain sales prices would rise and others would not. But we cannot evaluate the activities of state enterprises if all cost factors and all sales prices rise.

"Let us look around in the world! The more a politician or an economist is in favor of the market, the more he stands up against inflation. And the more politicians and economists favor the government the less they care about inflation.

"Accordingly, one of the fundamental tasks of the operation is to halt the inflationary process. Supply at the macro level must be streamlined with demand at the macro level. Actually, the essence of the operation is simple. Let us assume that the total production of the people's economy is unchanged. It is possible that production will decline in certain sectors as a result of the rearrangement, while it may increase in others. There is a shortage of labor in many branches, enterprises, and regions, and this could absorb the superfluous labor in other branches, enterprises, and regions. Rearrangement also provides an opportunity for the regrouping of material resources that are different from labor. It is most important that the operation not include a single measure which could potentially disadvantage the private sector's inclination to produce.

If the Spiral Is Cut

"Accordingly, once again, our train of thought may start by saying that regarding the people's economy as a whole, at the macro level supply remains unchanged within 1 or 2 years from the time the operation begins. To offset this, one must ensure that at the macro level, pertaining to the people's economy as a whole, demand shall also remain unchanged. Just what the latter requirement means will be explained in detail later. This is not the same thing as the regrettable policy referred to in today's Budapest jargon as 'monetary restriction,' which has been compromised. For the time being let us stop at the rather simple basic idea, without providing detailed clarification.

"There is a given supply at the macro level. On the other side there is macro demand of a certain size. Fundamentally we will allow prices to run their course. In this situation the balance will be restored at a certain price level.

"The first question that presents itself in this relationship is this: At what price level will balance be restored? I do not know. No one in my view could provide a safe response to this question. The combined effects of more complicated price spirals and cost ripple effects cannot be calculated accurately. I am not recommending a program package of the kind they frequently implemented in the Soviet Union, and quite a few times in the socialist countries of East Europe, and in the framework of which they tried to plan in advance all the simultaneous price and cost effects. In this case one need not fix millions of prices in advance in pricing offices, instead these prices will evolve by themselves in the marketplace.

"It appears likely that in the end, there will occur a significant average price level increase in the course of the operation, as compared to the present average price level. This, however, will be a onetime event if from that point on the government pursues a consistent anti-inflationary policy. Price increases that occur in the course of the operation need not lead to inflation. Even if in the course of the operation the price level increase exceeds the average inflation rate of previous years, in the subsequent period this increase need not lead to an accelerated inflation. We must understand that inflation is a dynamic process, it is the spiral of price increases, wage increases and other cost factors. Inflation may halt once this spiral is cut and the reproduction of excess demand at the macro level is discontinued. Accordingly, this is what must be achieved."

Footnote

1. In one of my notes commenting on debate concerning producer prices I had this to say in 1986: "The debate materials address the issue of inflation as if it were some impersonal spontaneous process which should be slowed down by anti-inflationary policies. I am convinced that this view is mistaken. Irrespective of whether a capitalist or a socialist country is involved, in the final analysis the

opportunity to produce money is in the hands of the state fiscal and monetary policies. Inflation exists where the government creates inflation. Also in Hungary inflation evolved because the government pursued inflationary policies, and inflation will continue to exist until the government changes these policies."

Inadequacy of Labor Dispute Mechanisms Discussed

25000522 Budapest FIGYELO in Hungarian
2 Nov 89 p 10

[Article by Lajos Hethy and Imre V. Csuhaj: "Labor Disputes: Conflicts on the Carpet, and Under the Rug"]

[Text] "So much energy is used in Hungary to sweep conflicts under the rug that in the end there is no energy left to resolve the conflicts," according to a somewhat sour but correct finding of one of the first industrial sociology research projects. These works described the matter of enterprise collective interest conflicts and disputes in the late 1960's and early 1970's. Moreover, these research projects proved that these conflicts and disputes have their roots in our social and economic conditions, and represent the logical outcome of those conditions.

Just what we regard as a labor dispute remains a question, of course. As perceived abroad, labor disputes may relate to law or interests, and may involve an individual or a collective. Legal disputes stem from the employer's or the employee's conduct having violated certain legal provisions within an employment relationship, (irrespective of whether such conduct is in actual violation of law, or if it is perceived to be in violation of law by either party). In contrast, disputes based on interests stem from employer or employee conduct by which the other party is aggrieved, or which is unacceptable to the other party from the standpoint of his interests. In labor disputes involving individuals the employer is always confronted with an individual employee, while in collective disputes conflict evolves between employer(s) and a group of employees.

The institutional settlement of (individual, collective, legal, interest based) disputes affecting employment relationships is not without precedent in Hungary. Such settlement is reached on the basis of negotiations among the appropriate partners, in the form of mediation and arbitration. The issue of "mediation pertaining to labor conflicts" has been the subject of regulation a number of times and in several forms beginning in the 1870's, and institutions for the settlement of disputes have evolved. The most highly developed institutional system of this sort functioned between 1945 and 1949. There was a marked departure from these precedents in the interpretation and management of labor disputes during the period beginning in 1950. A new institutional system and a new practice was called into being. This new system and practice fully adapted itself to an economy

directed on the basis of plans, and to the doctrines of stalinist ideology that were implicit in such an economy.

Beginning in 1950, and to this date, Hungarian labor law has envisioned the causes of labor dispute origins in the breakdown of harmony between legal regulations and social and economic processes (in the lack of regulation); in the shortcomings and vagueness of regulations; in the improper interpretation and application of regulations, and in the "selfish interest," "backward consciousness," and "malicious conduct" of workers.

Matters Changed and Unchanged

Changes took place within the institutions that were supposed to settle labor disputes, and in dispute resolution processes during the 1960's, while economic reform was being prepared and introduced. The corrections aimed for continuity rather than for change, however, and therefore essentially preserved the past.

In Hungary, labor affairs arbitration committees are the most significant institutions (of the first instance) competent to settle individual labor disputes (with legal implications). Such committees are elected by the workers upon recommendations made by the employer and the trade union, and are present in virtually every enterprise. Labor affairs arbitration committees numbered 7,267 in 1987 (6,491 in 1980), and their case load amounted to 34,305 in 1987 (49,989 in 1980). This means that the total number of arbitration committees has increased by 10 percent during the 1980's, while the case load has dropped significantly, by about 30 percent. The average case load per arbitration committee was 4.7 in 1987, as compared to 7.7 in 1980. Accordingly, during the 1980's—a period far from being free of tensions—the case load of institutions competent in settling individual labor disputes has been reduced.

Behind this overall assessment, however, one finds significant differences between various branches of the people's economy. For example, in 1985 when the average case load of arbitration committees was 7.8, the case load of these institutions in certain branches was rather substantial. In the field of transportation, postal services, and telecommunications the case load per arbitration committee was 27.7(!), while in commerce the number was 10.9. On the other hand, in the "non-material" branches the case load per arbitration committee was as low as 2.7. Within industry it was less than 6, and was even less in agriculture.

No cases at all were handled by half of the arbitration committees in the non-material branches, and by a quarter and a third of arbitration committees in industry and agriculture respectively.

The work content of arbitration committees reflects peculiar disproportions. In almost half (47.8 percent) of the cases coming before and completed by the committees, the subject matter evolved from labor disputes related to the disciplinary responsibility of workers. These cases could have had serious consequences from

the standpoint of workers' existential concerns. There are far fewer cases involving disputes related to employment relationships, employment contracts, wages and financial provisions, the workers custodian responsibilities, matters that were incumbent upon the workers, etc. (Quite naturally, the subject of labor disputes per people's economy branches also present a different picture because of the different features of individual branches. The number of cases involving workers' financial responsibility based on (criminal) negligence is particularly high in transportation, the postal service, telecommunications, and commerce, while the number of cases involving custodial responsibility is significant in commerce, etc.)

Settlements reached by labor affairs arbitration committees—as compared to the original action taken by the employer—turned out as follows. In about half of the cases arbitration committees approved the employer's action. In somewhat more than one-quarter of the cases they modified the employer's action. In somewhat less than one-quarter of the cases they voided the employer's action.

Labor Affairs Arbitration Committees

What role did (do) arbitration committees play in the settlement of labor disputes and conflicts, and within this larger question, how is their declining workload during the 1980's explained? Since the jurisdiction of arbitration committees is restricted to individual and legal disputes, disputes involving the collective as well as those based on interests are necessarily outside their jurisdiction. According to Hungarian labor law, a significant part of legal issues related to the employment relationship of an individual may not constitute the subject of a labor dispute; in such instances the employer has cause for action. The low workload of arbitration committees is largely defined by the fact that members of such committees are dependent on workplace management. Within an enterprise plant society that is not too sensitive about "legal order," a worker summoning his boss to appear before an arbitration committee will be regarded as sort of a "troublemaker" for a long time to come. This fact, the energy- and time-consuming character of resolving labor disputes, and the at best 50-percent statistical probability of success acted to restrain, rather than to encourage workers from taking advantage of arbitration committees. For a significant number of workers the Hungarian economy of the 1980's opened the door to opportunities to earn alternative income, which permits workers to compensate themselves in much easier ways for financial disadvantages stemming from possible grievances, and with substantially less effort than would be involved in an arbitration committee proceeding. On the other hand, under the peculiar Hungarian conditions—including labor shortage that prevails in many places—employers usually were cautious about taking actions that could violate a worker's interest, even in cases when such action would have been warranted under law.

The other characteristic institution during the period beginning in 1968 is the peculiar Hungarian feature that trade unions have a right to object (veto) in the course of settling labor disputes. This right granted by the Law on Labor to enterprise trade union organs made it possible for trade unions to object to enterprise actions which they deemed to be in violation of workers' rights and "socialist morality," (whatever the latter expression means). The right to veto is a peculiar manifestation of a condition when the interest representation function of trade unions gains strength, when a certain (tacit) shift is taking place in the direction of recognizing the legitimacy of collective labor disputes, but at a time when collective disputes based on interests could not have become institutionalized. After all, the issues still pertain only to grievances under the law or in a moral sense.

During the 1980's, between 100 and 200 enterprise or institutional trade unions took advantage of their right to object (veto) between 155 and 323 times annually. Use of the veto power was successful in a majority of the cases, and lead to the modification of the enterprise action objected to in between 85 and 90 percent of the cases. What we believe could be our just concern pertains only to the question of what proportion of the cases involving vetoes was actually justified and warranted by circumstances. We do not have data in this regard. All we can do is guess. One thing is certain, however: The International Labor Office [ILO] 1984 report on Hungary states that "as acknowledged by upper level representatives of the National Council of Trade Unions [SZOT], the right to veto is not used in every instance when it would be desirable, and the trade union too often shrinks from disputes...."

The experience gained during the 2 decades since 1968, and particularly the developments of the past 2 years has demonstrated that one should realistically reckon with the unavoidable existence of collective disputes, and disputes based on interests. Insistence on the exclusivity of the "individual" and "legal" character of labor disputes impedes our possibility of institutionally preparing ourselves for the management of "collective" and "interest based" disputes, whereas in these days, and in the future it may be expected that these kinds of disputes will cause truly significant societal and political problems. In the absence of such institutional preparations there are two available alternatives, both of which are less desirable than establishing separate institutions for the management of such disputes. Collective and interest based disputes could be managed by the existing institutions. In this case, however, cases of collective refusals to work, as exemplified by the spring 1988 refusal to perform overtime work by Hungarian State Railroad [MAV] engineers in Eastern Hungary, would be presented to arbitration committees and labor courts in the form of a series of individual disciplinary and individual responsibility cases. Alternatively such cases could be managed "behind the backs" of existing institutions in the framework of semi-informal proceedings involving the local enterprise management, the branch ministry,

and the branch trade union (e.g. like in the case of the August 1988 Mecsek miners' strike,) as well as the local party organs and even Interior Ministry organs. Interpreting such proceedings from the standpoint of law, and exercising legal control over such proceedings would be impossible. In contrast to both of these unfavorable alternatives the sole passable avenue appears to be the institutional establishment and legal sanctioning of labor disputes inspired by the collective or based on interests.

The Right To Strike and Collective Agreements

On 22 March 1989 the National Assembly enacted a law concerning the right to strike. The law restricts the right to strike only to a minimum extent. Characteristically, the law provides for a number of institutions and features one may discover in the practices of developed market economies: the right to solidarity strikes, the establishment of strike funds, mediation, and the requirement for continuous cooperation between employees and employers. At the same time, however, the use of the right to strike involves a number of uncertainties. The most important problem is that the institution of the right to strike does not fit into the framework of a developed (and functional) institutional interest reconciliation system.

The legal relationship between strikes and collective agreements has its problems. The law states that no strike in the interest of modifying a collective agreement may take place while the collective agreement is in force. In practice, this provision involves a number of uncertainties, because the "actual value" of collective agreements can never be independent from processes that take place within the larger economic environment (e.g. a faster than expected growth of the inflation rate "depreciates" agreements concerning wages). As of today, it would be difficult to assess just how an agreement could be reached concerning state administrative workers' exercise of the right to strike, and how the term "satisfactory service levels" could be defined with regard to public utilities. And finally, the right to strike, as a means of definitive significance by which employees may enforce their interests will probably lead to a situation in which the "other side," the employers, establish the institution of a "weapon" of similar value (lockout). At the same time, in many respects the regulation of the mediation process cannot be regarded as satisfactory either. The law provides practically no guidance as to what kinds of mechanisms are triggered if reconciliation efforts fail. The possibility of resolving disputes with the help of higher levels of interest representation (e.g. branch trade unions, sections of the Chamber) has not been provided for if conflicts are not resolved in the course of arbitration within the enterprise, and if warranted. And further, the process becomes questionable in labor disputes involving several enterprises (or branches) such as would be the case in a solidarity strike.

Attempt to Auction Pet Nitrogen Fails

25000531C Budapest NEPSZAVA in Hungarian
31 Oct 89 p 5

[Article by (nogradi): "Attempt to Auction Pet Nitrogen Did Not Succeed; Union Believes Government Is Incapable of Acting"]

[Text] I can understand those 300 creditors who want to recover their money invested in Pet Nitrogen Works. Their wish for the bankruptcy reorganization organization to collect the largest possible amount from the auctioning of the enterprise is logical. But I can equally understand the 3,000 workers at Pet who nervously await the moment when someone buys the firm, establishes order, and provides work for the employees.

But the auction held on 30 October did not produce the expected results, therefore the uncertainty of the past 2 years will continue. Although production continues in some plants, and therefore the enterprise's operations did not produce a loss, there are some plants where no work is being performed. And the lack of ownership threatens the shutdown of additional plants.

What actually happened at the auction called for on Monday morning in Budapest? Dr Laszlo Redei, director of the organization in charge of bankruptcy reorganization, announced to the interested persons that 14 parties had expressed interest in the large enterprise that has been liquidated in both legal and financial terms. These include large industrial enterprises, small tradesmen, and financial institutions. Five offers were received to purchase the entire enterprise, the other bidders wanted to bargain only for parts of the enterprise. The names of the contestants must be kept a secret of course, until such time that a buyer is found. But, as he says, from their standpoint they prefer the five contestants who want to purchase the enterprise as a whole, because in this way the operating problems of the entire enterprise, and thereby the employment of the workers, would be resolved.

The bankruptcy organization asked 3.3 billion forints for the fixed assets of the enterprise, and established the value of assets related to the welfare of employees at 200 million forints. These include the enterprise's hotels, recreation facilities, sporting establishments, and training and cultural center. As an aside we will mention that among those participating at the auction ceremonies there were some who said that the fixed asset part of the public property may be worth as much as 20 billion forints.

What offers were received? The number one bidder offered between 13 and 15 billion forints without seeking transfer of ownership, but payment would not be in cash. The bidder would like to ask permission from financial organs to authorize the issuance of bonds, subject to repayment after the beginning of full production, beginning in the sixth year. Dr Redei did not regard this as the optimum offer.

Another bid was submitted by a large industrial enterprise. It would establish a joint venture with a foreign firm, and own all fixed and movable assets, all rights and shares of ownership. As a condition they want to obtain a 5-year tax exemption. In exchange they would pay convertible currency worth 600 million forints, and by adding 120 million forints they would also pay the general sales taxes.

According to the third bid, five enterprises and financial institutions would purchase all fixed and movable assets and pieces of property. They would establish a stock corporation. The offer is for 600 million forints and 150 million forints in sales taxes.

The fourth bid came from three business organizations—foreign trade companies and financial institutions—for all the means of production and inventories. Their offer stands at 600 million forints, not including sales taxes. Also the fifth bidder would purchase all the property and the inventory, but for 500 million forints.

No agreement was reached after reporting the bids, because the director of the bankruptcy organization was not satisfied with the millions of forints offered, and therefore announced a new auction to be held on 27 November based on a new announcement and on revised bidding criteria. Asked what will happen if the November auction fails, Dr Redei said that the organization has provided for that possibility.

Quite naturally, persons most affected by the auction, the workers representatives, were also present. Pet Workers Council Chairman Laszlo Becker suggested that the new invitation for bids provide that employees could also purchase shares. Enterprise Trade Union Secretary Laszlo Transzky burst out emotionally and said that at the auction they were talking about fixed assets and movable assets, but the time has come to take note of the fact that there are 3,000 people at Pet, to whom it is totally indifferent, after 2 years of vexation, who buys the enterprise as long as someone buys it, cleans up the operation, assures continuous production, and if needed, changes the production structure. Only one matter is important to these workers: They want to perform decent work and earn money. In Transzky's judgment the entire auctioning ceremony and the inability to decide will catalyze unpredictable processes at Pet. Clearly, the bankruptcy organization and the government must accept full responsibility for these processes.

Janos Raub, secretary of the Hungarian Trade Union Federation of Chemical Workers formed last Sunday sadly noted that the government continues the same impotent policy it has pursued before relative to Pet. Agreeing with the Pet trade union committee secretary he requested that Dr Redei travel to Pet on the following morning and inform the workers what the bankruptcy organization intends to do thereafter.

CEMA Disintegration Discussed at East-West Economic Conference

25000539C Budapest NEPSZABADSAG in Hungarian
20 Nov 89 p 3

[Article by Miklos Ritecz: "Market Economy Is the Only Way; Can CEMA Be Reformed, or Will It Fall Apart?"]

[Text] A radical reform of CEMA is the condition for substantive cooperation with the European Communities. This was the title theme of an international conference organized in Sopron last weekend. And yet, many posed the question in this way: Can CEMA be reformed at all, and if so, how?

A hundred outstanding economists from both the East and the West appeared at the conference organized by the Global Economic Research Institute of the Hungarian Academy of Sciences. As conference secretary, Gabor Hunya told NEPSZABADSAG that Romania did not send an economist to this meeting either, and the delegation from the German Democratic Republic cancelled its participation in this prestigious, tenth annual conference. The starting premise for this year's Sopron conference was the fact that CEMA is not functioning properly.

Following a few remarks, and aware of the views of Bucharest which oppose any and all reform, it instantly became clear why no participant had arrived from Bucharest. In his analysis acting conference chairman Kalman Pecsai said that signs which indicate that the traditional totalitarian model has been shaken and that it is disintegrating have developed with increasing frequency in recent years within European socialist countries. By now, we are not only dealing with a crisis in CEMA, but with its disintegration. Similarly, radical reform must be understood to mean a radical changing of the model, Pecsai said.

Is socialist integration utopia or reality, Barna Talas asked. In his remarks Talas pointed out that CEMA's radical reform cannot be perceived without a total change in the social system of the member countries. The need calls for a market economy, a democratic constitutional state, and a self-organizing civil society. This is why it is misleading and inaccurate to speak only of a "change in the model." Talas explained that "existing socialism" built on natural economic management and on the authoritarian exercise of power, was conceived by distorting and turning upside down the marxist ideological system. "By invoking the scientific character of marxist-leninist ideology and party state policies, these dictatorial and despotic systems undoubtedly catalyzed and implemented a certain kind of economic and technical modernization. Nevertheless, the price to be paid for this experimentation was the permanent elimination of an opportunity for efficient economic management, and an epochal retreat in the area of social and political modernization," Talas emphasized.

An exit from this historical dead-end street is inconceivable short of doing away with the system of "existing socialism" which is based on parasitism, waste, and negligent management. Bourgeois democratism or people's democratism are the only alternatives. Both represent the production of goods and a market economy based on the conditions of capital and various forms of ownership, Talas told the conference.

American economist Brzeski clearly designated the direction in which CEMA must change as an opening toward a market economy. In his presentation Soviet economist Aleksey Mozsine enumerated the factors that contribute to CEMA disintegration. He regarded the increasing rate by which CEMA is lagging behind the economic development of developed capitalist countries as the most important factor. This gap may be traced to the authoritarian systems. Differences between the economies of the various CEMA member countries is the second factor contributing to disintegration. The Soviet economist saw the third reason in the increased rate in which the national interests of the individual countries surge to the forefront.

Businessman Lauds Investment Opportunities

25000531D Budapest NEPSZABADSAG in Hungarian
8 Nov 89 p 8

[Interview with Laszlo Szabo, Canadian businessman of Hungarian descent, by R.A.: "Capitalists Are Ready to Leap; Conversation With a Canadian Businessman of Hungarian Origin"; date and place not given]

[Text] Laszlo Szabo was regarded as a Canadian participant at the investment symposium organized for businessmen of Hungarian origin. Born in 1933, having completed his studies at the technical university, Szabo left for London in 1956, and later settled in Canada. Today he is managing his own consulting firm, as he says, and during the past 5 years he has been involved mainly in the investment of money, and with the planning and organization of high value infrastructural investments. He has been a frequent visitor to Hungary during the past 3 years, and this year he has spent much of his time here.

[Szabo] I am observing things quietly. I am trying to place myself in the mood that prevails here. My old classmates, my acquaintances are directors today or work in ministries, therefore I am able to obtain first hand information. In the end I succeeded in renting an office. My 15 employees are looking for investment opportunities, and investigating real estate, enterprise statistics, and the MAGYAR KOZLONY; they discuss their problems with legal counsels. We are prepared to take the leap.

[NEPSZABADSAG] Leap for what?

[Szabo] There are outstanding opportunities in Hungary. In 15-20 years it could become a country that is better than Switzerland.

[NEPSZABADSAG] The love of your country makes you say that.

[Szabo] Primarily it is the sober capitalist mind that makes me say this, but to a small extent it is also the love of my country. And it's the same with the rest of the participants at this conference.

[NEPSZABADSAG] But several of them said that they would not invest in an uncertain economy. Aren't you disturbed by the uncertainty?

[Szabo] I am not. The things that are happening here are irreversible. A very stable country is beginning to take shape here, without fighting and without bloodletting. After free elections the coalition government will have an opportunity to accomplish transformation with firm hands.

[NEPSZABADSAG] What role would you, the participants at this conference, play in transformation?

[Szabo] We should not be expected to do the cleanup work. I have before me the list of enterprises subject to transformation. These do not present themselves as investment opportunities. In order to make these enterprises function more profitably, one would have to let half of the workers go. This is a thankless job, so why should we do it? Anyway, there are much better opportunities in new fields of business, such as in the infrastructure! And then we need not search for an owner, we would know that we are creating a source of profits for ourselves, and an infrastructure for the country. One cannot organize industry under medieval conditions. Offices, roads, hotels, and telephones are needed, and that is the only way this country can be pulled out of the mud.

Industrial Almanac To Be Published Again

25000531A Budapest NEPSZABADSAG in Hungarian
31 Oct 89 p 8

[Unattributed article: "Compass for Our Industry"]

[Text] In the absence of tradition our enterprises do not trust a person who asks them about their capital, their taxpayer number, or other similarly confidential matters. They may have little hope, however, of joining the global economy if they keep these matters confidential. Publicizing this kind of information has become the purpose of Almanac Publishers Limited Liability Corp., established jointly by Compass Verlag of Vienna, the Technical Book Publishing Enterprise, the Hungarian Economic Chamber, and the Saldo Financial Organizing and Advisory Enterprise. After four and a half decades, the yearbook of Hungarian industrial enterprises, the "Industrial Almanac" will once again be published next year.

Reviving the Almanac was the idea of the Austrian Compass Verlag, established in 1886. The well-known firm publishes five economic handbooks. It has regularly

published industrial handbooks since the turn of the century. The bilingual "Industrie Compass Ungarns" was last published in 1944.

The yearbook publishes enterprise data free of charge, including the enterprise's name, founding year, capital, banking relations, and language of correspondence. The editors of the almanac did not inquire about the above-mentioned date out of curiosity. They sent out questionnaires and in exchange they will provide free advertising for Hungarian industrial enterprises.

Enterprises will have to pay for additional services, such as printing the enterprise's logo, detailed functional descriptions, and a list of the products offered, just as they would have to pay for to place advertisements in the yearbook. The Vienna publisher operates with a 20-member staff. It sustains itself with advertising revenues, and with the sale of yearbooks. The yearbook that presents Austrian enterprises costs 1,300 schillings.

Data collection to produce the Hungarian yearbook has already begun, hence the adverse experience concerning lack of confidence manifested by our enterprises. Hoping for a change, the limited liability corporation expects to close its data collection drive by next September, and promises to have the book on the market by the end of 1990. Thus, following a long lapse of time, the yearbook reporting on some 6,000 enterprises will be published in the German and the Hungarian languages, with 3,000 copies in each language. Based on current costs the books will sell for 2,500 forints. With 10 percent advertising, at that price the corporation breaks even.

Compass Verlag has found distributors in the Federal Republic of Germany as well as in Switzerland for the sale of the German language edition.

Declining Bond Rating in Japan Explained

*25000532B Budapest NEPSZABADSAG in Hungarian
9 Nov 89 p 5*

[Text] Some 40 leading Japanese businessmen are currently visiting Hungary, on a trip organized by the Hungarian-Japanese Club of the Hungarian Economic Chamber. On Wednesday, Gyorgy Suranyi, National Planning Office state secretary, informed the Japanese businessmen of the economic processes of the past years, and about changes that have been made in economic regulations.

Vatanabe Kiicsi, head of the Japanese delegation and president of the Small Business Finance Corporation, stated that it would be conceivable for his firm to provide professional advice, and perhaps financing for the establishment of future Japanese-Hungarian small enterprises, even though at present his institution provides financing only for Japanese small enterprises. Vatanabe Kiicsi made reference to the fact that he was aware of the latest governmental action concerning foreign exchange provisions to the populace. The foreign exchange practice pursued thus far was one of the main

reasons why Hungarian National Bank [MNB] bonds issued in Japan have received a lower rating. The action taken by the Hungarian government may change the value judgment made by Japanese financial circles concerning MNB bonds, but only in the long term.

No Decision From Japanese Car Maker

*25000532A Budapest NEPSZABADSAG in Hungarian
9 Nov 89 p 4*

[Text] The president of the Japanese Suzuki firm and his entourage visited the Esztergom-based Labor Instrumentation Technology Works yesterday. They came to Hungary to negotiate with Hungarian enterprises about the manufacture of personal cars. Following their departure, Laszlo Rez, president of the Esztergom firm, said that no final decision was reached, even though they discussed two possibilities, including the construction of a new plant.

POLAND

French Delegation Eyes Industrial Cooperation

*90EP0185A Warsaw RYNKI ZAGRANICZNE in Polish
No 126, 21 Oct 89 p 8*

[Article by M. Tekielski: "The Visit of French Patronage"]

[Text] Poland was recently visited by a French Patronage mission headed by the Chairman of the Polish Committee under the National Council of the Association of Employers Mr Alexis Wolkenstein. The mission included the directors of more than 20 large industrial companies, most of them cooperating with Poland for a long time. Some of them already are settled properly on the Vistula. Diverse subsectors were represented, including the chemical, petrochemical, and power industries as well as environmental protection, telecommunications, farm machinery industry, agricultural and food processing, and hotelkeeping and services. The mission also included representatives of six large commercial banks.

The purpose of the visit was to investigate the possibilities for: new forms of cooperation with Poland, coproduction, conversion of debts to capital shares, founding of joint ventures, and in general to consider the possibilities for the participation of French enterprises in restructuring Polish industry.

The French visitors were received by the heads of the economic ministries—Finance, Foreign Economic Cooperation—as well as by the heads of the Central Planning Office and the Agency for Foreign Investments. They also held talks at banks and with potential partners from among Polish enterprises. Those interested in the agricultural and food subsector visited the Polagra 89 International Agricultural-Industrial Trade Fair.

Problems of bilateral economic cooperation will be the subject of deliberations by an intergovernmental mixed commission which will meet in Warsaw even before the end of this month. A large group of French industrialists is expected to attend.

Availing himself of this visit, the RYNKI ZAGRANICZNE reporter interviewed the delegation's head Mr. Alexis Wolkenstein.

[RYNKI ZAGRANICZNE] How did it happen that the Patronage dispatched this mission, the first in 5 years since the previous mission of French entrepreneurs?

[Wolkenstein] The explanation is very simple. In France there exists great interest in Poland among all constituencies. Thus, first there were the visits at the political level, by the minister of foreign affairs and subsequently by the president of the Republic. I had the pleasure of taking part in both those visits. It is thus quite natural that, in their turn, the economic circles desired to demonstrate their interest in Poland. Everyone in turn wants to play his role here.

True, the French Patronage made no visit here for 5 years. The present visit emphasizes our readiness to do something in Poland like the representatives of other European countries are doing.

[RYNKI ZAGRANICZNE] What proposals for cooperation did you bring?

[Wolkenstein] We brought proposals for joint ventures in various domains as well as a proposal for a capitalized society that would attend to debt conversion. The mission includes many bank representatives. We proposed to the Polish authorities the establishment of an institution with which we could deposit credits which could subsequently be used to finance participation in joint ventures. Already during the visit by President Francois Mitterand we had signed an understanding to study the possibilities for financing participation in joint ventures.

The mission also consists of representatives of more than 20 large companies representing a majority of the subsectors of the French economy. They include, e.g., CIT Alcatel, which has for years been operating in Poland as regards dial exchanges. At present that enterprise could establish in Poland a joint venture with participation by a Polish partner. That would create the possibility of exporting 30 percent of the joint output.

There also are representatives of Pechiney Company, which is holding talks with the heads of the Aluminum Plant in Konin concerning an expansion of that plant with special consideration of environmental protection. There also are representatives of other subsectors of the economy—hotelkeeping, services, and the computer industry.

This desire to revive banking and financial contacts with Poland will acquire an even greater impetus once the IMF and the World Bank draw up a specific consolidation program. Until that time, however, it is possible to

utilize some part of Poland's indebtedness to French banks for the promotion and formation of joint enterprises. Besides, it should be borne in mind that US\$1 billion, or 10 percent, of Poland's total indebtedness of US\$10 billion to private banks is owed precisely to French banks. Thus, this is a substantial share.

The Polish authorities display, as known, a somewhat reserved stance toward solutions based on exchange of debt for capital shares. But I believe that in the case of isolated and separately analyzed enterprises this solution would be feasible.

ROMANIA

Bucharest Fair Exhibits Products for Export

90EB0096A Bucharest REVISTA ECONOMICA in Romanian 30 Oct 89 p 11

[Text] Initial assessment of the 1989 Bucharest International Fair, ending on Sunday 22 October, shows that the fair made a significant contribution in each of its three functions, information, promotion, and development of contracts.

Each of the 700 Romanian exhibitors and all 700 of them together have contributed with the products they displayed to projection of an image of Romania as a country with a strong industrial potential, one which has made remarkable accomplishments in many areas of science and technology, and a country all of whose forces are committed to its economic progress and prosperity. Starting in March 1989, the elimination of foreign debt opens up new prospects for foreign trade activities, ongoing improvement in the structure of trade, and broadening of international economic cooperation activities under conditions of full liberty of economic and political choice.

At the 15th Bucharest International Fair Romania has displayed a material production system with a sectoral structure radically different from the one before the war, with a strong, modern industry in which national scientific research participates fully in carrying out development programs. Over the last 4 decades industrial output has increased by a factor of 135, the national income by 40, agricultural output by 10, and foreign trade by a factor of 45. Romanian economic strength is eloquently expressed by the fact that complete repayment of the foreign debt has been accompanied over this decade by the spending of more than 2,000 billion lei for the economic and social development of the country.

A result of these efforts aimed at intensive, all-round, harmonious development of the Romanian economy, the export program presented at the 1989 Bucharest International Fair by Romanian manufacturers is characterized by a high degree of innovation and diversification. In the aggregate, 70 percent of the items displayed represent new products and reflect the scope of Romanian scientific and technical creativity.

At Pavilion A the mechanical engineering industry, an exponent of technical progress because of the machinery and equipment exhibited, displayed products of its many subsectors, starting with the machine tool industry, which occupied the central area of the pavilion, and ending with the electrical engineering, electronics, and microelectronics industry. Action has been taken to carry out the tasks of the current 5-year plan for automation, cybernetization, and robotization, and so the exhibit displayed a number of integrated systems representing the fruit of research in several sectors: mechanical engineering, electrical engineering, and electronics and data processing.

In this connection mention should be made of the flexible system for machining prism-shaped parts of the cylinder head type for parts that can fit into a cube with a side of 500 millimeters. This system was designed and developed at the Titan Scientific Research and Technological Engineering Institute for Machine Tools (ICSITMU) in Bucharest. Without intervention by a human operator it can perform consecutive operations of milling, drilling, broaching, threading, and chamfering coordinated by a Romanian-made process control computer. The main components of such a system are CPFH 500-3 machining modules (machining centers), parts warehousing and circulation modules (including a skid handling robot carrying parts to the machining centers), tool warehousing and circulation modules (includes a tool handling robot and hands for transferring tools between a robot and machining centers), and numerically controlled programmable automatic devices supervised by a process control computer. It should be noted that the institute has also designed a flexible process-computer-controlled system for the automotive industry. This system has been developed and exported by the Bacau Machine Tool Enterprise. Orders have also been placed in other areas of industry.

The Arad subsidiary of ICSITMU is showing at the fair a third-generation flexible robotized cell for machining elements of the arbor and disk type. The system is made up of a numerically controlled SP 500-1 CNC robotized flexible cell, a magazine with skids for semifinished and finished elements, a parts handling robot, a tool magazine, a tool handling robot, and a machining monitoring system.

The Arad Machine Tool Enterprise is displaying a number of new and upgraded products such as a horizontal turret-head lathe with automatic feed cycle (the SR 050/60—MSOZ). It is equipped with a programmable automatic device, a conveyor plate for transporting semifinished products, and a moving arm to provide for automatic feed. This assures it of higher output.

The SU 360-1-R universal precision lathe is marketed for precision operations such as those performed by

toolmaking departments. It has an electronic data display for screen monitoring of accuracy of the order of microns during machining. Also marketed is a direct-current-variation control unit permitting easy adjustment of tool speed as a function of the material worked; it yields considerable savings during tool operation.

The SP-81 parallel lathe for precision machining also falls within the high-precision machine tool category. It is manufactured by the plant in Arad, among others.

The special-purpose machine tools exhibited at the fair include the SCL 630-ZCNC rolling milling cylinder calibrating lathe. This is a complex numerically controlled, automatic, programmable machine tool outfitted with speed variation elements. In addition to turning, it also performs the operations of milling, grinding, keyway cutting, and grooving with the auxiliary devices with which it is equipped.

New types of specialized machine tools are also exhibited by the Bucharest Machine Tool and Assembly Enterprise, including the Profiliform exterior grinding machine for machining the heads of pistons for internal combustion engines in an automatic cycle, the RAC 500 arbor grinding machine, and a jig drilling machine. Also in the same category are the RU 160 round part interior grinding machine with dimension display made by the Napomar Grinding Machine Enterprise in Cluj-Napoca. Wide interest has been attracted by the SN-601R standard precision lathe, which is equipped with a DAL-2 electronic energy conservation device. This device, which was designed and patented by the staff of the machinebuilding enterprise in Orasul Dr Petre Groza, permits adaptation of the power absorbed from the grid by the electric motor driving the machine at variable speeds required by the production process. It can be used for virtually any machine tool powered by an asynchronous motor with shortcircuited rotor and rated power exceeding 1 kilowatt. Power consumption reductions of the order of 10 to 30 percent can be obtained in this way. Hence the cost of installing it in the control circuits of electrically powered machinery and equipment can be amortized very rapidly. It measures 14.5 by 8.3 by 15 centimeters and weighs 950 grams. Such solutions are especially significant because of the impact which electrification can exert in widely varying sectors of the economy. We can imagine the impact of such devices on the entire fleet of machine tools in the economy, as well as the effect in increasing exports.

The robotized complex for welding space frame structures with automatic positioning occupies a central place at the machine tool exhibit. It is especially spectacular in operation because of the coordination of the movement of an enormous structure welded in all three spatial dimensions with approach of a welding head, both movements being robotized. This system, under the Simared brand name, is made by the Baia Mare Machinebuilding and Mining Equipment Enterprise.

POLAND

High Season in Red Cross Soup Kitchens

26000001P

[Editorial Report] Munich SUEDEDEUTSCHE ZEITUNG in German of 28 November 1989 carries an article on page 14 by Thomas Urban on the growing number of Poles hardly able to meet even their most basic subsistence needs, as formerly adequate incomes are eaten away by a climbing three-digit inflation rate. A pensioner living comfortably only a year ago on 70,000 zloty a month, finds that sum now less than the price of a pair of winter boots. It has become clear that the social net was too loosely woven under the former regime to support all the needy: pensioners, large families, and the unemployed, in a society where, according to government propaganda, unemployment and poverty did not exist. The Mazowiecki government is issuing food cards to four million impoverished citizens, to provide them with bread, skimmed milk, and soft cheese. At least that many Poles have been living below the poverty line since price controls on food were lifted at the beginning of August. Although there are no published statistics on unemployment, experts are now speaking of a "structural unemployment" rate of over 10 percent. The Polish Red Cross has set up a dozen soup kitchens in Warsaw to help alleviate the hunger problem. The Church, too, has opened canteens to feed the poor. The new government appealed to the West for immediate help in overcoming the worst winter shortages. No sooner had emergency food shipments begun arriving, however, than Poles were outraged by news reports of profiteering. Although such cases are isolated, they evoke the fear that the reputation of all Poles may be tarnished and that the willingness of the Western countries to help Poland may ebb. Meanwhile, the soup kitchens feed as many of the poor as they can accommodate on white beans, potato soup, vegetable stew, and the inevitable cabbage soup. "I can hardly stand the smell anymore," said one elderly woman pensioner, "but we just have no other choice."

YUGOSLAVIA

Creation of Ministry of Ecology Urged

90EB0068A Belgrade NIN in Serbo-Croatian
1 Oct 89 pp 28-30

[Article and interview with Jelka Miljkovic, president of the Committee for the Protection of the Human Environment of the Federal Assembly of the SFRY, at the Federal Assembly Delegates Club, by Dragan Jovanovic: "'Green' Is the Oldest"; first paragraph is NIN introduction]

[Text] "We must all begin to think ecologically. Because anyone who thinks ecologically is also thinking truly economically and, in fact, democratically," says our interviewee, discussing the commissions for "Krsko,"

the "Brijuni formula" and other wonders arranged for us by Yugoslav nuclear researchers...

Some day, when the history of the Yugoslav ecology movement is written, it will certainly include the name Jelka Miljkovic, a sociologist from Nis and current president of the Committee for the Protection of the Human Environment of the Federal Assembly of the SFRY. Through her official or even "green" commitment, she perhaps made the greatest contribution to last June's passage by the Federal Assembly of the Law on Prohibiting the Construction of Nuclear Power Plants in Yugoslavia, which thus far has been the most concrete and the biggest victory by the Yugoslav "greens."

However, Jelka Miljkovic does not think that this represents the end of the Yugoslav nuclear story, because a great deal has been left unclear. For example, who all received commissions for the nuclear power plant at Krsko, and perhaps for the cancelled "Prevlaka" as well? Why were bids by nuclear companies declared "state secrets," as was the financing arrangement for "Krsko"? In general, has the Yugoslav nuclear program been abandoned, or is the nuclear lobby waiting for the right moment to soften the antinuclear moratorium law or even repeal it?

All of these questions, as well as many others, were the reason for this interview with Jelka Miljkovic, conducted this week at the Delegates Club of the Federal Assembly of the SFRY. We began with the "Brijuni formula"...

[NIN] Even today, the public is just finding out about the "Brijuni formula" signed in June 1973, with which Willy Brandt and Josip Broz Tito for all practical purposes agreed to the financing arrangement for the nuclear power plant in Krsko whereby the war reparations to Yugoslav prisoners in German camps were written off and in return Yugoslav received many years of credit, a good part of which was spent to build the nuclear power plant. That entire transaction to this day is considered and treated by the National Bank of Yugoslavia as a "state secret," and one gets the impression that the unraveling of the web of commissions for "Krsko," or for the cancelled "Prevlaka" as well, is progressing from there.

[Miljkovic] In general, I am shocked to learn this, as is the entire Yugoslav public. I think that the veil of secrecy must be lifted from the "Brijuni formula" and that for the sake of the historical and ecological truth of our peoples the social and historical circumstances under which this decision was made must be established. We should not forget that this was a time when nuclear energy, as a new technology, was very promising and captivated not only our highest leadership, but rather the entire world...

[NIN] You were dissatisfied with the responses by the FEC [Federal Executive Council] to your delegate questions concerning the nuclear commissions for "Krsko," which you posed several times in the Federal Assembly of the SFRY, after which you decided to discuss this

subject at the first session of the Chamber of Republics and Provinces. What all did you ask the FEC?

[Miljkovic] At the session of the Chamber of Republics and Provinces held on 30 June, I asked two questions. First, what are the results of the announced international tender (competition) for the construction of atomic power plants in Yugoslavia. In other words, did the Federal Executive Council fulfill its obligation towards bidders in the field of nuclear technology by giving them a definitive answer or decision no later than 25 December 1987; or if the FEC did respond to them, what was that response and what are the legal and economic consequences? The second question concerned what, in keeping with this, the FEC plans to do with the organizations for building nuclear power plants that are being founded.

[NIN] And what was their response?

[Miljkovic] In short, they responded that the FEC at its 388th session, held on 14 March 1989, resolved not to reach a decision on selecting a uniform nuclear fuel cycle, nor a decision on selecting the type of nuclear power plant proposed to the FEC by four electric power associations known by the name Consortium "4E." Then, in response to my second question, I was informed the joint meeting of the Electrical Industry of the Socialist Republic of Croatia and the Republican Institute for the Protection of Consumers of Electrical Energy, held on 29 June 1989, reached the decision to halt further work on preparations to build the "Prevlaka" nuclear power plant and to dismiss the workers preparing to build the "Prevlaka" plant.

[NIN] Why were you not satisfied with the responses by the FEC?

[Miljkovic] Because some of the responses were shabby, and some of my questions were not even answered. Among other things, I asked this: How is it possible that the Federal Secretariat for Energy on 18 May did not know about the FEC resolution of 14 March of this year whereby that body decided not to choose a uniform fuel cycle and a type of nuclear power plant? Then there is the question about the fate of the nuclear plant enterprises being founded, to which the FEC responded only with respect to the "Prevlaka" enterprise. They did not mention the others, and I think that such organizations existed at the time in both Vojvodina and Serbia. With regard to this same question and the extinction of the "Prevlaka" enterprise being founded, the FEC responded that at its meeting of 29 June of this year, the Croatian Electrical Industry resolved to halt further work on preparations to build the "Prevlaka" nuclear power plant.

Now, if the response that in the international competition no decision was reached on the type of nuclear power plant is correct, then what technology was being applied in preparations to build "Prevlaka"? The logical conclusion that arises is that it is the same technology as for the "Krsko" power plant, which means "Westinghouse" once again.

If this is correct, then the assertions made in response to the question to the effect that a technology decision was not made are inaccurate.

Here is another question to which I have not received a satisfactory response to this day: Why was the entire job surrounding the international, public competition for choosing the fuel cycle and type of power plant labelled a "state secret"? That label is applied when the interests and security of the country are threatened. Moreover, how can an international, public competition be kept a state secret from us inside the country, while it is not a secret to all interested parties outside the country? I could understand that it is a business secret until the closing of the competition in order to safeguard business interests. All of this is even funnier today, since we have passed the Law on Prohibiting the Construction of Nuclear Power Plants and since the international competition is a thing of the past.

[NIN] Does "state secret" also cover the decision already taken by Consortium "4E" to sign several preliminary agreements with "Westinghouse," for example?

[Miljkovic] I really always have to have doubts about everything—including this—especially since these things are designated "state secrets." If everything is clean, then let them release all the documents for inspection by the Yugoslav public instead of inviting only me to look at what is contained in the "state secret," but only after signing an agreement not to tell anyone about what I saw!

[NIN] They made that offer to you?

[Miljkovic] Yes, publicly. In the FEC response to my last question, which will be read at the next session of the Chamber of Republics and Provinces. But naturally I will not agree to be included as just another unwelcome witness to the "state secret" in exchange for signing a vow of silence. That, I repeat, is one thing that they will not succeed in doing. Because this "state secret" is not of interest to me on a strictly personal level, but rather solely as the president of the Committee for the Protection of the Human Environment of the Federal Assembly of Yugoslavia, whose text for the law prohibiting the construction of nuclear power plants was adopted by the Federal Assembly. This law is the basis for my asking all my delegate questions, not my personal whim. All of us together must, as soon as possible, arrive at the ultimate truth concerning the muddled nuclear plans that have been made and that apparently have not yet been abandoned; rather, they are simply waiting for a new, convenient moment to reactivate the Yugoslav nuclear program. In particular, I am afraid that the nuclear lobby will shortly come up with a proposal that the Law on the Moratorium be either "softened" or even repealed.

[NIN] Are there already any indications of that?

[Miljkovic] I have a very recent example of this suspicion of mine. Last Monday, at the meeting of the Committee for Science of the Federal Assembly of the

SFRY, Bozidar Marendic, the FEC minister for development—whose sphere of activity, by the way, extends to the ecology sector—announced that passage of the Law on Prohibiting the Construction of Nuclear Power Plants in Yugoslavia has suddenly dried up financing for science projects in research on nuclear energy to such an extent that it is a problem that he must raise before the Committee for Science.

However, what is more significant is that Marendic asserts that the Federal Assembly of the SFRY adopted the law prohibiting the construction of nuclear power plants for a specified period of time?! What can you say to that? Putting it mildly, it is strange that the minister for development does not know that the ban on the construction of nuclear power plants is for an unspecified period of time. But on the other hand, there is a positive element in his statement to the effect that we are encircled by nuclear power in Europe and that nuclear research should be oriented towards protection against radiation and the possibility of nuclear disasters.

[NIN] Can the quiet campaign against the law on a moratorium on the construction of nuclear power plants, which appears already to be under way, be linked to last week's propaganda activities by "Westinghouse" at the 14th world energy congress held in Montreal? Specifically, "Westinghouse" received \$50 million from the U.S. government to popularize its old and new models of nuclear power plants and other "goods" at the Montreal congress, which was presided over by Nenad Dzajic, who also headed the Yugoslav delegation.

[Miljkovic] That doesn't surprise me, since the U.S. government will always help its companies and its interests. The critical question is what attitude we will take towards these technologies. And the story of what attitude we have taken is known to be a sad one. We have imported obsolete, dirty and at the same time unprofitable technologies which have only resulted in dependency on foreign multinationals and foreign strategies, which is increasingly impoverishing this country and destroying the environment.

[NIN] Everything that you have said leads logically to the question: How do you see the further ecological development of the country in these divided areas, divided in terms of energy, the economy, technology and, finally, politics?

[Miljkovic] Ecology does not exist in a vacuum. It is, before all else and above all else, a social, economic, technological and even energy category, and only by uniting all these aspects in Yugoslavia will we be able to hope that our country will have a chance to develop. It is especially necessary to say that a high level of ecological consciousness, from individual to collective consciousness, can create the conditions for a single civilized ecological society. But let us not talk about a future Yugoslavia not being able to count on aid from and cooperation with Europe and with the rest of the developed world unless there is first a global ecology policy.

This has been recognized even by developing countries, and at the last Summit of Nonaligned Nations in Belgrade one of the main themes, besides the repayment of debt and North-South relations, was the ecological situation in the world.

But another example: Sweden has made \$380 million in aid to Poland contingent on the money being spent for ecological purposes.

[NIN] It is obvious, even in our country, that ecological consciousness is awakening spontaneously. Ecological groups, and even ecology movements are popping up all over Yugoslavia. Should they be united into some Yugoslav ecological organization, and how?

[Miljkovic] I am happy about this turn of events. I am really considering, together with a group of like-minded people, setting up that kind of Yugoslav ecological organization which would include "greens" from my native Nis, Belgrade, Bor, Zajecar, Pancevo and other cities in Serbia, but also from Zenica, Tuzla, Sarajevo, Split, Rijeka, Zagreb, Ljubljana and other cities throughout Yugoslavia. This Yugoslav ecological organization would span all administrative republican-provincial borders and be united around a joint ecological program. I also hope that we will enjoy a high degree of cooperation with existing organizations and associations that, each in their own fashion, are concerned with ecological problems. I am thinking here about investigators, nature conservation clubs, the Federation of Societies for Air Cleanliness...

[NIN] Aren't you afraid that they will instantly label this as an attempt to found a "green" party in Yugoslavia?

[Miljkovic] I remain faithful to my communist party and I think that in this way I can contribute even more to modernizing it, so that it can finally realize that ecological problems are paramount and that it is high time to start concerning ourselves with the quality of life. If the communist party does not recognize this as soon as possible, then it will squeeze itself out of its role as the avantgarde of Yugoslav society.

[NIN] If a classical "green" party is not founded, what are the institutional routes that a Yugoslav ecology movement could take in order to implement its demands and goals?

[Miljkovic] Changing the Constitution, whereby the Federation would "arrange and provide for," as it already says, protection of the human environment, which translated means that the Federation pursues a unified ecological policy, which would be supported by a unified finance policy and unified resources. Of course, this means the establishment of a Ministry of Ecology as well.

[NIN] Don't you think that a Ministry of Ecology will drown in the profit- and market-oriented ideas that the

FEC and other economic reformers are currently advocating, and that even a "green" ministry will need a spontaneous ecological opposition in the Yugoslav ecology movement?

[Miljkovic] Logically, the Ministry of Ecology would have to be the opposition—i.e., a control on the profit-based philosophy, which in general has not taken ecology into account.

However, if it turns out that a "green" ministry is not carrying out this role, then the Yugoslav ecology movement would have to assume the role, which exists even today. Specifically, "greens" all across Yugoslavia are already looking for ecological suitability in the candidates for the upcoming elections, and green lists of candidates are already being drawn up for the city, republican and federal assemblies.

It is obvious that in the future, every system will have to count on an institutionalized ecological presence in resolving the problems of societal development.

[NIN] Supporters of the economic reform referred to, both from eastern and western Yugoslavia, almost never mention the ecological dimension of the upcoming reform of the economic system. But long-term economic reform is inconceivable without radical ecological reform in the economy. What do you think about that?

[Miljkovic] That is where I see the greatest weakness in the proposed directions for economic reform, and this reflects neglect of one very concrete and already-proposed idea by the Yugoslav youth concerning passing a law for an ecology tax. Although this is only one of the mechanisms for ecological reform of the economic and,

if you wish, political system, there is still a general silence about it. But despite this silence, we in the Federal Assembly of the SFRY have set in motion an initiative to pass a law for an ecology tax. We must all begin to think ecologically. Because anyone who thinks ecologically is also thinking truly economically and, in fact, democratically. Moreover, ecology is the oldest human right and the most natural human condition.

[Box, p 29]

Thermal Power Plants on the Agenda

[NIN] Together, we passed the Law on Prohibiting the Construction of Nuclear Power Plants, for which we "greens" in eastern Yugoslavia were accused of actually supporting a Serbian trend. As an ecology functionary and fellow fighter, will you support putting thermal power plants in Serbia and elsewhere, which are also very serious polluters, in order?

[Miljkovic] It is true that they accused me as well of supporting the antinuclear law because I am from Serbia, but that did not occur to me, since I have a Yugoslav orientation, in the same way that I am "green." Everyone who continues to believe that should know that 3 months ago as the last act at the meeting of the Committee for the Protection of the Human Environment I announced that all the thermal power plants would be put in order. And this means putting filters on smokestacks, freeing up land from slag—since thermal power plants eat up 15,000 hectares of fertile land each year—and controlling discharge water. It is true that this is an expensive job, but if anyone has money in this country it is the electrical industry.

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